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TODAY

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'A DAY WE SHOULD TREASURE'

Historic Peace Deal Accepted in Ulster



The Irish prime minister, Bertie Ahern, left, with Prime Minister Tony Blair of Britain in Belfast on Friday.

In Belfast's Streets, Hope and Prayer

By James F. Clarity

BELFAST—The people of Northern Ireland, many of whom barely remember when there was no sectarian killing in this British province, welcomed the prospect of a new peace Friday with cautious hope and, in many cases, prayer.

Ecumenism is not strong in Northern Ireland. Most people live in religious ghettos, their children go to religiously segregated schools, their clergy oppose integrated education. Roman Catholic and Protestant guerrillas are tolerated, sometimes protected, in their communities, particularly after they escape from a deadly attack on the other side. Many Protestants despise the Pope; many Catholics are hostile to the British queen.

Some academics and officials want the outside world to believe that the guerrilla war is a matter of socioeconomic class struggle. Most ordinary people acknowledge that it is a religious war. But in South Belfast, on a cold, sunny day, a quiet group of about 400 Protestants and Catholics joined at noon in a dignified service in Ormeau Park to mark Good Friday and the news that political leaders had agreed on a new peace formula.

The area has been racked in recent decades by Catholics and Protestants murdering each other with bombs and guns. And in recent years it has been the annual site of a Protestant Orange Order parades through a Catholic section, where the residents resisted, sometimes violently. But the parade, scheduled for Monday on the Catholic Lower Ormeau Road coming from the Protestant Ballymaggie area, was canceled by a government-appointed commission, and a few miles away, at Stormont, the politicians were preparing to ratify a new peace agreement.

The Catholics and Protestants in the park listened to a small brass band playing hymns as clergymen used the Good Friday service not only to thank God but to warn that there was still violence in the hearts of many people.

"We need to have your hearts weep over Belfast as Jesus wept over Jerusalem," said the Reverend Jim Campbell,

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A Chance to 'Exorcise Demons of History'

By Warren Hoge

BELFAST—The Northern Ireland peace talks produced a landmark settlement Friday that forged concessions from fiercely antagonistic Roman Catholic and Protestant figures who are trying to settle one of the century's most enduring conflicts.

In a marathon negotiating struggle that went 17 hours past its deadline and required the personal intervention of Prime Minister Tony Blair of Britain and Prime Minister Bertie Ahern of the Irish Republic, and a last minute telephone call from President Bill Clinton, representatives of eight political parties finally agreed to a fundamental reshaping of the political institutions of this tormented province.

The effort had faltered several times during the long last night and day of dealing and drafting, and it was with as much a spirit of deliverance as one of jubilation that the delegates and a crush of aides in the conference room greeted the declaration by the chairman of the talks, George Mitchell: "I am pleased to announce that the two governments and the political parties of Northern Ireland have reached agreement."

The accord represented the most significant and comprehensive step ever undertaken to put an end to religious hatreds stretching back 300 years and territorial tensions dating from the 1922 division of the island into what is now the predominantly Catholic Republic of Ireland and the predominantly Protestant Northern Ireland, which is a part of Britain.

The settlement is to be put to referendums in the Republic and in the North on May 22.

For the past 30 years, Northern Ireland has known almost perpetual violence, interrupted occasionally by cease-fires greeted with relief and eruptions of joy, only to end abruptly in despair, grief and recriminations. It has become so wearyingly familiar to residents of this conflicted place that it is referred to simply as "The Troubles."

"It's a day we should treasure and a day when agreement and accommodation have taken up the place of difference and division," Mr. Ahern said, voicing hope that it would

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Hashimoto's Party Blasts Tax Plan

By Mary Jordan and Sandra Sugawara
Washington Post Service

TOKYO—A day after Prime Minister Ryutaro Hashimoto announced the package of tax cuts that American and other foreign leaders had been urging him to undertake, he found himself facing criticism at home.

Up until the last moments before Mr. Hashimoto went on television to announce the package Thursday, top officials of his own party were warning him against announcing \$30 billion in tax cuts and urging that he wait until there was a clearer consensus about how to rescue the economy.

"I am skeptical about how much additional tax cuts will help the economy," said Koichi Kato, the general secretary of the Liberal Democratic Party, in an unusual rebuke of the party leader after his announcement.

Another top party official, Taku Yamasaki, reportedly told Mr. Hashimoto that if he insisted on announcing the tax cut, he alone would have to take "responsibility" for it. "The die is cast," Mr. Yamasaki ominously said after emerging from a meeting with Mr. Hashimoto shortly before the prime minister told him he would announce the tax cuts.

Mr. Hashimoto had been under enormous international pressure, including from President Bill Clinton, to act more

decisively to stem Japan's dangerous economic slide. The slow consensus-building process within the Liberal Democratic Party has been identified as a prime reason that Japan's economy has continued on a seven-year slide. Mr. Hashimoto has been hamstrung by a divided party and was visibly growing more frustrated as world leaders

urge him to take more forceful action. Now Mr. Hashimoto may be isolated within his party and is in an increasingly weak position to take charge. If Mr. Hashimoto does not have the support of the party leadership, it could be more difficult for him to get parliamentary

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Yeltsin Shrugs Off Defeat And Sticks by Kiriyenko

By Celestine Bohlen
New York Times Service

MOSCOW—Insisting that he has no other candidate, President Boris Yeltsin of Russia on Friday resubmitted the name of Sergei Kiriyenko for the post of prime minister, less than an hour after the 35-year-old political novice and acting prime minister was rebuffed by Parliament's lower house.

Mr. Kiriyenko's defeat in the first round of balloting in the Duma had been anticipated, even by the Kremlin itself. Mr. Yeltsin's spokesman, Sergei Yastrzhembsky, described the results of the secret balloting as "acceptable and not bad for a start."

With major opposition parties, including the Communists, refusing even to participate, Mr. Kiriyenko's nomination was rejected by 186 to 143, leaving him 83 votes short of the majority he needs for confirmation in the 450-seat Duma. But with characteristic understatement, the former banker brushed off his first-round defeat, saying he had expected even less support.

Under the constitution, Mr. Yeltsin has two more chances to persuade the

Duma to approve his nominee for the Russian government's top job. If on the third try his candidate is rejected, the president is empowered to disband Parliament and set new elections — a gamble that few lawmakers, who hold their seats until 1999, are eager to contemplate.

The political drama set in motion March 23 by the president's sudden dismissal of the government headed by Viktor Chernomyrdin is also running into another deadline. Mr. Yeltsin is due to set off on a two-day trip to Japan on April 18 — a visit that has already been postponed once because of the government crisis — and the Kremlin has made clear that it expects a new government to be in place before he leaves the country.

Between now and then, political analysts expect to see some political bargaining among Mr. Yeltsin and the opposition parties that hold a majority in the Duma. The speaker, Gennadi Seleznyov, has called on Mr. Yeltsin to present other candidates, an option that the president explicitly ruled out in a radio address Friday morning.

Defending Mr. Kiriyenko as a "pro-



Sergei Kiriyenko listening to lawmakers' queries Friday in Moscow.

functional manager who can work as part of a team, who shuns self-promotion and cheap populism," Mr. Yeltsin said the deputies should make up their minds about his nominee as quickly as possible, "because I have no other candidate." Members of the opposition

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Burgeoning U.S. Surplus

With \$50 Billion Windfall Now Expected, Debate on Spending It Likely to Speed Up
By John M. Berry
Washington Post Service

WASHINGTON—The surging U.S. economy is likely to push the federal budget surplus to at least \$50 billion for this fiscal year, according to an internal Federal Reserve projection. Other estimates show that the total could soar to \$75 billion or more if current spending and revenue trends continue.

The looming surplus is so large, analysts said, that President Bill Clinton and Congress may have the resources much earlier than they expected to begin to plug the shortage in the Social Security trust fund, cut taxes or increase other spending programs.

With more money available, the debate that already has begun over how to use surpluses is likely to intensify.

The new projections follow a series of dramatic improvements in the government's fiscal fortunes.

The 1997 budget deficit was \$22.6 billion — more than \$100 billion lower than had been projected at this time a year ago and far less than the \$290.4

billion posted in fiscal 1992. Early this year the Clinton administration and congressional leaders hailed official forecasts that the budget was headed for a surplus of about \$10 billion in the fiscal year ending Sept. 30, which would be the first time since 1969 that the government spent less money than it took in.

Now budget analysts are sharply raising their estimates of the 1998 surplus because continued strong economic growth and booming financial markets increased federal revenue by more than 10 percent in the October-to-March period, compared with the same period in fiscal 1997, while spending was up less than 4 percent.

William Dudley, chief economist at Goldman, Sachs & Co. in New York, said he expected a large increase in capital-gains tax payments on top of a strong underlying trend in revenue to produce a surplus as high as \$70 billion to \$80 billion for the full year.

Some Federal Reserve figures for financial flows suggest that sales of capital assets, such as stocks and real estate, were twice as large last year as in 1996, and that therefore a surge is likely in tax payments flowing into the Treasury's coffers this month, Mr. Dudley said.

"The surplus could be as high as \$100 billion," he said.

Most other private estimates of the surplus are in the range of \$40 billion to \$50 billion, well above the \$10 billion official estimates made earlier this year for the 1998 surplus by the administration's Office of Management and Budget and the Congressional Budget Office.

"We have a round number of \$50 billion," said Robert DiClemente, an economist at Salomon Brothers Inc. in New York, "but I am itching to raise it."

Official figures are available for October through February, the first five months of the fiscal year, and the budget office has made public its estimate of the size of the March deficit. According to those figures, the cumulative deficit for the six months was \$71 billion.

The April 15 tax-filing deadline will

AGENDA

53 Rwandans Die In Attack by Hutu

KIGALI, Rwanda (AP)— An attack by Hutu rebels on a camp for displaced people in Rwanda left 53 people dead and 31 wounded, medical sources said Friday.

Thirty-three civilians and 20 rebels died in the assault Thursday on the Nyarutu camp in the Ruhengeri region, the sources said.

The Rwandan Army began a sweep Friday against rebels in the region, close to the border with Uganda, a military source said.

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 The IHT on-line www.iht.com

To Our Readers

Because of the Easter holiday, the Herald Tribune will not be published on Monday in Italy or the Netherlands.



Malaysian police in position Friday at the gates of the U.S. Embassy.

Asylum Clash in Malaysia

Embassies Surrender Dozens of Indonesians
By Thomas Fuller
International Herald Tribune

KUALA LUMPUR—Several dozen Indonesian immigrants scaled the walls of three Western embassies here Friday and asked for asylum in an effort to avoid being deported in Malaysia's crackdown on foreign workers, but the police were called and most of the immigrants were arrested.

The police entered the compounds of the Swiss and French embassies — and an office owned by the Brunei government — to remove the Indonesians and carry them off in trucks.

But officials at the U.S. Embassy, where eight immigrants scaled the

three-meter walls early Friday, said they needed time before deciding how to handle the requests for asylum.

"This is an issue that requires a certain amount of deliberation and looking into," said Charles Barclay, a spokesman at the embassy. "We don't want to make a hasty decision."

The Kuala Lumpur-based human rights group Suara Rakyat Malaysia condemned the French, Swiss and Bruneians for giving police access to their compounds.

The French Foreign Ministry said Malaysian authorities had assured them that the eight Indonesians who had

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California Death Row Dilemma: Is Inmate Sane Enough to Die?

By Maria L. La Ganga
Los Angeles Times Service

SAN RAFAEL, California — This was what was supposed to happen: At 12:01 A.M. Tuesday, Horace Edward Kelly Jr., a San Quentin inmate, was to die by lethal injection for the murders of two women and a child.

So far, though, nothing is going as planned. In

fact, there really is no plan.

For the first time in nearly 50 years, a con-

demned man in California faces a jury trial at the 11th hour to decide if he is sane enough to be executed after what his lawyers say was a 12-year descent into madness on death row.

Mr. Kelly was ruled sane when he committed his crimes in 1984 and sane when he was sentenced to death.

This week, jury selection began deciding if Mr. Kelly is still sane enough to die. As the clock ticked toward the scheduled lethal injection, the trial judge granted Mr. Kelly a brief postponement of

execution Thursday, ruling that the state may not kill the killer without a decision on his sanity.

"There are no rules," said Richard Mazer, Mr. Kelly's attorney. "The rules are being written as we go along. The judge could be deciding the rules and the future" of death penalty law in California. "This will be a precedent."

Sanity is a moving target. So is the law. And only one thing is clear when the two intersect: It is illegal — unconstitutional, in fact, a violation of the Eighth Amendment — for an insane person to

be executed. The U.S. Supreme Court said so in 1986.

What the Supreme Court did not spell out, however, was how the mental state of a condemned criminal should be judged on the eve of death, leaving legal minds across the United States struggling to find 50 separate sets of guidelines to define that ephemeral thing called sanity.

The only law in California that addresses this

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Firmly, Spaniard Helps the Bosnians Take Care of Themselves

By Chris Hedges
New York Times Service

SARAJEVO, Bosnia-Herzegovina — Carlos Westendorp, a Spanish diplomat who is the top international official charged with carrying out the Bosnian peace agreement, was in the presidential palace in Zagreb recently listening to a windy lecture by President Franjo Tudjman of Croatia on European history and the Islamic threat to Western civilization.

Mr. Tudjman, who led his country in fighting the Muslims and the Serbs, told Mr. Westendorp that history would place him alongside Franco as "a savior of Western civilization."

Mr. Westendorp, 61, a bitter opponent of the Spanish dictator, who died in 1975, said: "One of the merits of democracy is that we got rid of savages."

don't want anyone to take care of us. We can take care of ourselves."

Mr. Westendorp is fighting a new battle in Bosnia, one that is often lost in the incremental steps that elate European technocrats and goes unnoticed by most everyone else. With the blessing of Washington, he now rules Bosnia by fiat and is determined to shatter the monolithic grip on power by the Serbian, Croatian and Muslim nationalist parties that waged the war and control the three partitioned entities.

Nationalist Bosnian Serb newspapers, including *Serb* *Oslobodenje* and *svjetlost*, refer angrily to Mr. Westendorp as "the dictator" and complain of "colonial domination by the West." The Muslim-led government says Mr. Westendorp has forced it to comply with demands of the Dayton peace accords, such as the return of Serbian and Croatian refugees

to Sarajevo, while not putting equal pressure on the Bosnian Serbs.

The recent heavy-handed intervention by Mr. Westendorp has transformed the once largely ceremonial post of high representative into that of a governor general who runs a protectorate that has been promised more than \$5 billion in international aid.

In the last few weeks, decisions on a host of issues as diverse as media licensing, housing and tariff laws and the design for a common flag, have poured out of his office, which is staffed by 212 bureaucrats in central Sarajevo.

The nondescript office block, nicknamed "the presidency," has dismissed elected officials who obstructed peace efforts, appointed international administrators in disputed towns such as Brcko and Srebrenica, designed a new common currency, common license plates, com-

mon passports and a national emblem.

Mr. Westendorp has strayed beyond Bosnia. A week ago he threatened Croatia with international sanctions unless it permitted the return of some 500,000 ethnic Serbs driven from the country during the war. He is also working to find the financial support to unite Serbian, Croatian and Muslim Socialist parties to challenge the ruling nationalists and has pushed for the arrest of Bosnian war criminals.

The draconian measures, endorsed in a conference in December in Bonn by the six nations — the United States, France, Germany, Italy, Britain and Russia — that oversee the Bosnian peace effort, have inched the three factions closer together, although few of the 3 million displaced people and refugees have returned to their homes.

The continued failure to build a com-

try where different ethnic groups can break down the walls of partition and live as neighbors, Mr. Westendorp believes, "is a recipe for another war." One that is most likely to be triggered by the Muslim-led government in Sarajevo, which he said now has the most powerful army of the three factions.

The goal of a united Bosnia is one critics contend is impossible to achieve so soon after the war. Mr. Westendorp concedes that it is "almost impossible."

The decision by international administrators to take over the governing of Bosnia has also raised questions about how the state will work without continued infusions of outside aid and direct international supervision. The peace agreement signed in Dayton in 1995 has so far stopped the fighting but done little to restore cooperation and trust.

"We have become deeply involved in the functioning of the state," said Christian Clages, the head of the political department. "We may not run essential functions from start to finish, but at all levels we must monitor to make sure the work is being done. We have an unprecedented amount of control on the legislative and executive branches of government. We do not know, however, how we will exit, how we will not perpetuate Bosnia's culture of dependency."

Mr. Westendorp, who was the last foreign minister in the Socialist government of Felipe Gonzalez, grew up chafing under a regime that fused conservative Catholicism and Spanish nationalism, one headed by a general who was escorted into cathedrals under a canopy held by prelates. When Mr. Westendorp, the son of an army officer who was imprisoned by the Republican government during the civil war, joined the Socialist Party as a diplomat 30 years ago, it was a clandestine organization.

Bosnia suffers from the same phenomena we experienced in Spain," he said. "The church bears a large responsibility for the war. The Bosnians are the same people. They are all Slavs. Religious identity is simply the raison d'être for these nationalist leaders to hold onto power, like animals who cling to their turf. We need to build a new set of values, new traditions, new political parties to present competing ideas and culture to overcome these nationalist movements."

The political transformation in Bosnia began last June when Mr. Westendorp took over from former Prime Minister Carl Bildt of Sweden as high representative. Mr. Bildt, deeply frustrated by his inability to move the three Bosnian leaderships, lobbied hard to broaden the powers of the high representative's office. It was Mr. Westendorp who reaped the benefits.

British soldiers from the North Atlantic Treaty Organization-led peacekeeping force occupied the Bosnian Serb city of Banja Luka in July, taking over all public buildings and handing them to Biljana Plavsic, the Bosnian Serb president and chief rival of the hard-liners based in Pale.

Next came the arrests of war-crimes suspects by peacekeepers and the forced dissolution of the Bosnian Serb special police units, the main prop that enriched and empowered the Bosnian Serb nationalists in their stronghold of Pale.

Mr. Westendorp has lately begun to deliver deadlines and ultimatums to erode the partition. He has told the Sarajevo government, which seized the apartments of tens of thousands of ethnic Croats and Serbs after the war, that it has until the end of the year to return 20,000 people to their homes.

German Poll Backs A Grand Coalition

BONN — If the opposition Social Democrats win the September elections, more Germans would prefer a grand coalition between them and their conservative rivals than would like the Social Democrats to govern with the environmentalist Greens, a survey released Friday indicates.

It showed that 35 percent would favor a coalition of the left-leaning Social Democratic Union and Christian Social Union, 45 percent to 35 percent, a one-percentage-point drop in a week for Social Democrats and the Greens, and 22 percent said they would rather the Social Democrats join with the pro-market Free Democrats.

In a separate survey, Dimap found that the Social Democrats were leading the Christian Democratic Union and Christian Social Union, 45 percent to 35 percent, a one-percentage-point drop in a week for Social Democrats and the Greens, unchanged at 6 percent and the Free Democrats at 5 percent. (Reuters)

Italy Police Officer Linked to Ransom

BRESCIA, Italy — A senior paramilitary police officer was suspended from duty Friday pending an inquiry into allegations that he profited from the release of a business man held for more than seven months by kidnappers on Sardinia.

Francesco Delfino, national head of the Carabinieri police schools, is suspected of accepting about 1 billion lire (\$350,000) from the family of the victim, Giuseppe Soffiantini.

News organizations, citing judicial sources in Mr. Soffiantini's home city, Brescia, alleged that Mr. Delfino was paid for finding a go-between to negotiate the release for 5 billion lire in ransom. (Reuters)

New Prime Minister Named in Armenia

YEREVAN, Armenia (AP) — Former Finance Minister Armen Darbinian was appointed prime minister Friday.

Mr. Darbinian, 33, was deputy chief of the Armenian central bank from 1994 until 1997, then was appointed finance minister. He has 10 days to form a cabinet. (AP)

Latvia Schedules Citizenship Debate

RIGA, Latvia — Proposals for changing Latvia's citizenship law, the cause of an escalating dispute with Russia, will be debated by lawmakers next week, the Baltic News Service reported Friday.

All people born in Latvia could become citizens by 2001 under the proposals, though proficiency in the Latvian language would still be required. (AP)

20,000 Stage Independence Sit-Down in Kosovo Capital

The Associated Press

PRISTINA, Yugoslavia — About 20,000 ethnic Albanians flooded the main street of the Kosovo capital on Friday, carrying out a sit-down protest to buttress their demands of independence from Serbia.

Many in the crowd flashed the two-fingered victory sign. Others clapped. Some carried posters of Ibrahim Rugova, the ethnic Albanian leader, while others waved Albanian flags.

Six girls wearing T-shirts, each with one letter spelling out KOSOVA, the Albanian version of the province's name, were at the head of the broad column of protesters.

Except for traffic patrols, no police were in sight. On Thursday, riot police blocked the main street of Pristina, the provincial capital, preventing protesters from marching.

The protest Friday ended peacefully about an hour after it started. It came a day after organizers of several peaceful demonstrations over the past few months urged ethnic Albanians to carry out daily brief "walk-throughs" in the center of the city to back their quest for independence.

Serbia has ruled Kosovo Province with a massive military and police presence since abolishing its autonomy in 1989. More than 80 people were killed in a police sweep against alleged separatists last month, in a region west of Pristina.

The police are seeking to destroy the so-called Kosovo Liberation Army, a loose organization of militants who have claimed responsibility for the deaths of dozens of Serbs and ethnic Albanians loyal to Serbia since surfacing in 1996.

Serbian radio in Pristina reported what appeared to be a new attack by the group on Friday. It said Adem Dugna, a pro-Serb ethnic Albanian politician, was seriously wounded in an overnight ambush on a road south of the provincial capital.

Three others in the car, a member of the Serbian Parliament and two officials of Mr. Dugna's Socialist Party, escaped injury.



Part of the site where more than 100 people making the hajj to Mecca were killed in a stampede on Thursday.

Saudis Say 700,000 Pilgrims Thronged Site of Stampede

The Associated Press

MECCA — Muslim pilgrims surging forward to take part in an Islamic ritual ignored instructions from security forces, setting off the stampede that left more than 100 people dead, Saudi officials were quoted as having said Friday.

The victims, most of them elderly, were trampled or plunged to their deaths during the chaos Thursday in Mina, about five kilometers (three miles) from Mecca.

Doctors in hospitals and clinics in Mecca and Mina said that 180 people were killed as pilgrims rushed forward to take part in the "stoning of the devil" ritual. The official Saudi Press Agency, however, put the death toll at 118.

More than 250 people were injured and many are in critical condition with severe internal bleeding, the doctors said, speaking on condition of anonymity.

General Ahmad Bilal, director-general of public security, said that 700,000 pilgrims were crowding by the site of the stoning at midday Thursday, when

people began to press forward. "The number was frightening and the crowd advanced like a torrent," he said.

He added that some security officers who tried to control the crowd had been trampled and hospitalized.

An Egyptian pilgrim said that some people had been crushed against meter-high (three-feet-high) concrete blocks by the entrance to the walkway before the pillars that are stoned.

He added that some pilgrims in the front rows of the walkway were seated when the police ordered them to move forward. Pilgrims in the back rows surged ahead, trampling many of the pilgrims in front, he said.

The Saudi pilgrimage minister, Mahmoud Safar, said that some deaths were due to "fate and destiny," adding that the pilgrims had neglected to follow instructions, the Saudi Gazette reported.

According to Muslim belief, those who die during the annual Islamic pilgrimage, the hajj, go to heaven.

French Court Bans Le Pen's Unions

Agence France-Presse

PARIS — The far-right party of Jean-Marie Le Pen came under attack Friday on two fronts, with France's highest appeal court banning it from setting up its own unions and a center-right party leader seeking to prevent the party from receiving state funds.

The Cour de Cassation, in upholding a lower court ruling, said that unions set up by the National Front were illegal since their aim was to further the agenda of a political party.

Such unions would promote the Front's ideas, which are based "on race, color, background, ancestry and national and ethnic origin," the court said.

Claude Gaosguen, secretary general of the center-right Union for French Democracy, submitted draft legislation calling for a constitutional ban on public financing of the National Front.

WEATHER

Europe

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Asia



North America

Legend: a-sunny, pc-partial cloudy, o-overcast, t-thunderstorms, r-rain, s-snow flurries, ?-unknown, h-wind.

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It showed that 35 percent favor a coalition of the left-wing Social Democratic Union, Chancellor Helmut Kohl's Christian Democratic Union, about 25 percent said they would favor a alliance of the Social Democrats and the Greens, and 22 percent they would rather the Social Democrats work with the pro-market Democrats.

In a separate survey, Germans found that the Social Democrats were leading the Christian Democrats, 45 percent to 35 percent, one-party supporters drop a few percent, Social Democrats a few percent gain for the government, with support for the Greens unchanged at 5 percent, the Democrats at 5 percent.

By Roberto Suro and Susan Schmidt
Washington Post Staffers

WASHINGTON — The Justice Department has urged the independent counsel, Kenneth Starr, to investigate allegations that David Hale, a key witness in the Whitewater investigation, was paid off by a wealthy conservative activist.

But Mr. Starr was also alerted that he himself might face a conflict of interest because of his own possible links to the conservative activist, Richard Mellon Scaife.

The Justice Department's action requires Mr. Starr to determine whether he faces a conflict or even the appearance of one in investigating the charges regarding Mr. Hale because of Mr. Scaife's potential involvement.

Thus, for the first time, it obliges the independent counsel to address in a for-

mal manner long-standing concerns raised by President Bill Clinton's supporters that he is tainted by partisan associations.

In a letter to Mr. Starr, Deputy Attorney General Eric Holder Jr. said that if Mr. Starr believes he has a conflict over the matter he could refer the allegations back to the Justice Department, which then would conduct an investigation.

Mr. Hale provided testimony that helped bring convictions against Mr. Clinton's partners in the Whitewater real estate venture, Mr. Starr's most successful prosecution thus far.

Under a cooperation agreement with the independent counsel, he also has alleged that Mr. Clinton was directly involved in a fraudulent loan scheme when he was governor of Arkansas.

Last month, in response to news reports, the U.S. Attorney's Office in Pocatello, Arkansas, and the FBI began investigating allegations that Mr. Hale had received money from individuals associated with Mr. Scaife, a Pittsburgh millionaire who has openly financed efforts to turn up scandalous information regarding the president, Hillary Clinton and their close friends.

Mr. Scaife was the major financial backer for a new school of public policy at Pepperdine University in California that Mr. Starr announced last year he was resigning from.

Mr. Starr reversed his decision four days later under fire for what critics perceived as selfish indifference to an important civic obligation.

After more than a week of deliberating over how to handle the matter, the Justice Department informed Mr. Starr on Thursday that federal prosecutors in Arkansas had conducted a preliminary inquiry into information

suggesting that Mr. Hale "may have received cash and other gratuities from individuals seeking to discredit the president during a period when Mr. Hale was actively cooperating with your investigation."

Mr. Holder said in his letter that the Justice Department had confirmed "that the information warranted further investigation" and that Mr. Starr had jurisdiction over the allegations — which, if proven, could amount to witness-tampering and other serious crimes.

The money allegedly originated with Mr. Scaife, a virulent critic of Mr. Clinton who bankrolled several anti-Clinton investigative projects and gave more than \$1 million through his foundations to the American Spectator, a magazine that first published a number of allegations against Mr. Clinton, including those that led to the Paula Jones lawsuit.

Parker Dozhier, a longtime friend of Mr. Hale's, said in recent media interviews that he received money from the American Spectator to help with its Whitewater coverage and in turn gave cash to Mr. Hale while he was cooperating with Mr. Starr's Whitewater investigation.

Mr. Dozhier's former girlfriend, Caryn Mann, has said that Mr. Hale gave Mr. Dozhier detailed reports about the progress of Mr. Starr's inquiry.

A spokesman for Mr. Starr's office said the Justice Department letter had just been received and that there would be no immediate comment on it.

Mr. Scaife financed an investigation into whether the 1993 death of the deputy White House counsel, Vincent Foster Jr., resulted from foul play, and has been highly critical of Mr. Starr's office for an investigation that concluded Mr. Foster had died by suicide.



Bill Schaefer/The Associated Press

FLEEING TO SAFETY — A police officer helping a student flee from a school for troubled youngsters in Pocatello, Idaho, during a five-hour standoff with an armed student, 14. Nobody was injured and the student gunman surrendered after officers delivered on his demands for pizza, soda and cigarettes.

POLITICAL NOTES

Democrats' Debt Down to \$7 Million

WASHINGTON — The Democratic National Committee has announced it has paid off its once-mounting debt to less than \$7 million, a level party leaders said would allow Democrats to be competitive in this year's congressional elections.

The committee had piled up a huge debt during the 1996 elections and the congressional and Justice Department investigations that came in their aftermath. The party spent \$12 million on legal costs alone to deal with the fallout from 1996 fundraising, including \$2.5 million still owed to its law firm, Debevoise & Plimpton. The committee expects to incur as much as \$1.4 million in additional legal bills this year.

At its height last September, the party's net debt, the amount it owes in loans and bills minus its cash on hand, was \$15.3 million. As of March 31, that number had been cut by more than \$8 million. On its Federal Election Commission report filed Thursday, the party said it had total debt of \$9.3 million (\$2.6 million in loans and \$6.7 million in owed bills). The committee has cash on hand of \$2.6 million, leaving a net debt of \$6.7 million.

"Many people wrote us off," said Steve Grossman, the national chairman. "I think we're back." (WP)

Mr. Scaife was the major financial backer for a new school of public policy at Pepperdine University in California that Mr. Starr announced last year he was resigning from.

Mr. Starr reversed his decision four days later under fire for what critics perceived as selfish indifference to an important civic obligation.

After more than a week of deliberating over how to handle the matter, the Justice Department informed Mr. Starr on Thursday that federal prosecutors in Arkansas had conducted a preliminary inquiry into information

or two books, a statement Mr. Starr is trying to corroborate. Mr. Starr subpoenaed two Washington book stores, Kramerbooks and Barnes & Noble, for records of books Ms. Lewinsky bought there over a 28-month period.

Judge Johnson wrote that "the bookstores and Ms. Lewinsky have persuasively alleged a chilling effect on their First Amendment rights."

The subpoena on Kramerbooks also had a chilling effect on the store's business, the judge wrote, noting that after the store was reported to be cooperating with Mr. Starr, "many customers" told its staff they would no longer shop there. A group of librarians also picketed the store, which later joined Barnes & Noble in challenging the subpoena.

Prosecutors said at a hearing before Judge Johnson last week that they wanted the records of Ms. Lewinsky's 4 purchases at Kramerbooks and 12

causing similar cancers of the mouth, esophagus, larynx and lungs. A National Cancer Institute report also said that regular cigar smokers who inhale have an increased risk of coronary heart disease and chronic obstructive pulmonary disease. (AP)

• The federal agency that oversees workplace health says that employers must provide restrooms and allow workers to use the facilities as needed. In some jobs, such as food processing,

assembly lines and telemarketing, going to the toilet can involve pleading and even the risk of losing a job. (AP)

• Ross Perot's computer services company has revoked health coverage for partners of newly hired gay employees. Mr. Perot, chairman of Perot Systems, said that his decision reflected his fear that heterosexuals would falsely claim relationships to win these benefits. "It has nothing to do with gay rights," he said. (NYT)

Away From Politics

• Vice President Al Gore headed to the suburbs of Birmingham, Alabama, and to Georgia to tour areas struck by tornadoes that killed at least 44 people in four states. Authorities said at least 32 people were killed in Alabama. Local media reported 10 people died in Georgia. One person was killed in Mississippi and another in North Carolina. (Reuters)

• A government report says that cigars can be just as lethal as cigarettes.

■ Republicans Consider Calling Starr

Anticipating a formal report from Mr. Starr, Republicans in the House of Representatives are considering a plan to have the independent counsel testify before Congress about any evidence of impeachable offenses that he turns up against the president. The Associated Press reported.

Republican officials said that under this proposal Mr. Starr would be called to explain his findings before a panel of lawmakers. The Republicans are in control of the House.

These officials cautioned that no decisions had been made, and even if the lawmakers decided to go ahead, numerous details remained to be worked out.

These include whether such a session would be open to the public, and what kind of questioning Mr. Starr himself would be subject to.

Judge Questions Starr Subpoenas on Lewinsky's Book-Buying

By David Streitfeld and Bill Miller
Washington Post Staffers

WASHINGTON — A U.S. District Court judge has set a high bar for the independent counsel, Kenneth Starr, saying he will have to show "a compelling need" if he is to get the titles of books bought by Monica Lewinsky.

In a six-page order, Judge Norma Holloway Johnson declared that Ms. Lewinsky's "First Amendment rights are at issue here."

Last month, Mr. Starr subpoenaed records of book purchases by the former White House intern, a central figure in the perjury investigation of President Bill Clinton.

In his deposition in the recently dismissed sexual harassment lawsuit brought against him by Paula Jones, a former Arkansas state employee, Mr. Clinton said that Ms. Lewinsky had given him one

or two books, a statement Mr. Starr is trying to corroborate. Mr. Starr subpoenaed two Washington book stores, Kramerbooks and Barnes & Noble, for records of books Ms. Lewinsky bought there over a 28-month period.

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Prosecutors said at a hearing before Judge Johnson last week that they wanted the records of Ms. Lewinsky's 4 purchases at Kramerbooks and 12

purCHASES at a store of the Barnes & Noble chain to help establish the nature of her relationship with Mr. Clinton. Mr. Starr is seeking to determine whether Mr. Clinton or others may have urged people to lie under oath to cover up an affair that is alleged to have occurred between Mr. Clinton and Ms. Lewinsky.

But Judge Johnson gave Mr. Starr until Thursday to show a "sufficient connection" between the records he is seeking and his grand jury investigation. Sources said that Mr. Starr's office sought more time and now has until Monday to respond.

Arthur Spitzer of the American Civil Liberties Union said the order would make it difficult for the government to enforce the subpoena the way it was written. "If I were the government," he said, "I would withdraw the subpoena and issue a much narrower one." A narrower subpoena, for example, could seek to confirm that Ms. Lewinsky

hought a specific title.

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A Negative View in Quebec

Court Rules Paper's Random Photo Violated Privacy

Reuters

OTTAWA — News photographers in Quebec who take pictures of ordinary people outdoors and then publish them violate their subjects' right to privacy, Canada's Supreme Court has ruled.

The case, centered on Gilbert Duclos, who photographed a teenager, Pascale-Claude Aubry, relaxing on the outside steps of a building on a Montreal street 10 years ago.

The defunct Montreal magazine Vice-Versa published the shot in an edition about life in such cities as Montreal and Vancouver, and she successfully sued because she said her classmates had laughed at her.

"In our view, the artistic expression of the photograph, which was alleged to have served to illustrate contemporary urban life, cannot justify the infringement of the right to privacy it entails," the court said Thursday in a 5-2 decision.

The case dealt mainly with private, rather than public, figures. The court said that "certain aspects of private life of a person who is engaged in public activity can become matters of public interest."

An award to Ms. Aubry of 2,000 Canadian dollars (\$2,840) was upheld. Since the case was fought on a privacy clause in Quebec's human rights charter, it permitted directly only to Quebec.

However, it was possible that it could be used in interpreting laws on protecting the use of one's image that apply in four of Canada's nine other provinces. There is no comparable federal statute covering the whole country.

The court barred photographs of ordinary citizens who have not given their consent unless they are taken in the context of an overall crowd such as at a baseball game or a demonstration. This appeared to mean a ban on random shots of

Rhonda and David Elghamayen, with members of their family, would like to thank the rabbis, relatives and friends for all their wonderful support, the many telegrams, letters and messages of condolence during the tragic loss of their beloved Moise.

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G U G G E N H E I M

In Belfast, as Some Tear Walls Down, Others Work to Raise Them

By Warren Hoge
New York Times Service

BELFAST — While politicians were frantically putting the finishing touches this week to the historic settlement aimed at bringing Protestants and Roman Catholics in Northern Ireland together, surveyors in a bleak Belfast neighborhood scarcely a few miles from the negotiations were busy building a new wall separating them.

With the peace process moving into the critical next phase of referendums in May in Ireland and Northern Ireland, the elemental and persisting dilemma of this conflicted province remains that for all the people who want to tear down barriers, there are still people eager to raise them.

They range from political activists who believe the proposals shortchange their communities' interests to fighters in breakaway paramilitary gangs who have no interest in the peace process

at all and struggle to undermine it with savage and random bloodshed. Their motives and tactics may be different, but their common objective is to see the peace proposals voted down, and the governments of Britain and Ireland, the sponsors of the talks, are taking the threat seriously.

Ian Paisley, the longtime militant Protestant leader who kept his Democratic Unionist Party out of the talks, chastised Protestant parties that did sign up, saying,

"The people of Northern Ireland at the referendum will totally and absolutely exercise the right and what you are attempting to do."

The 5.5-meter-high (18-foot-high) fence topped with concertina wire demarcating Protestant and Catholic communities in the Whitewell area of North Belfast, like the 30 other reinforced concrete and steel barriers snaking through the middle of Belfast, is called a "peace line," a name that is more than just a grim euphemism. In fact, the only peace that Belfast has known has been, like

these walls, intermittent and imposed, and have served to reinforce rather than reduce the divisions in a society whose natural tendencies run to snubs and alienation.

It is a remarkable achievement that there have been sustained talks and a

resulting peace agreement, given the history of Ulster's contentious politics, its deep distrust of any notion of cross-community partnership and the tribal violence that has claimed more than 3,200 lives since 1969, 18 since Christmas and the most recent one three days ago.

The coming challenge of obtaining support from the war-weary but mistrustful population of Northern Ireland in the referendum May 22 is as fraught as the just-ended peace talks, and an intense campaign is being mounted to in-

fluence the outcome. "The Choice Is Yours" say billboards picturing a young couple walking on a beach at sunrise that are going up all over Northern Ireland.

The slogan is meant to underline the notion that the solution is not one that outsiders are forcing on this tempe-

rate effort at persuasion. "We are planning a public information campaign to inform people about the referendum, maximize awareness of it and communicate a sense of its importance," said David Lyle, chief executive of the Belfast office of McCann-Erickson, the advertising agency responsible.

The vote to approve is expected to go smoothly in the Republic of Ireland where a poll last month showed that only 16 percent objected to the principal Irish concession, a decision to abandon the territorial claim to Northern Ireland in its constitution.

Officials are bullish about the outcome in Northern Ireland in public but privately worried about the risks. Their concern focuses particularly on Protestants, who have been reluctant participants in the process and wary of its consequences. It is a population already fatalistic about the rise in the numbers of Catholics and the growth of a Catholic middle class moving into public life, professions and residential areas the

last vote, the national election of May 1997, the Northern Ireland vote

was 61 percent Protestant and 37 percent Catholic, a significantly wider spread than the percentages, 53 and 47 respectively, of the population.

Of the 1.2 million voters, 215,000 are between the ages of 18 and 24, people who have never known anything but the violence that has tormented Northern Ireland since 1969. "There's a terrible phrase people use here," said Mr. Lyle, "and it is that people can become anesthetized to violence."

Another worry is the power of Mr. Paisley. He agitated against the talks from the outset, saying with characteristic bombast that he would "set the winds on fire" against them in a series of rallies across the province. The protest fizzled and his party has lost clout in Northern Ireland by staying outside the talks, but his personal power to attract votes and stir passions remains formidable.

In recent days Mr. Paisley has been outside the Stormont Castle Buildings, the drab social security headquarters housing the talks, attacking David Trimble, leader of the largest Protestant party, the Ulster Unionists, as a "traitor" to their community's cause. He has already characterized the get-out-the-vote campaign as "a deceitful and filthy plan which makes Machiavelli look like a rank amateur."

The Northern Ireland Office of the British government has advised campaigners to suppress unfavorable poll results and put a rosy glow on troublesome passages of the settlement. "The focus should be on selling the concept of an agreed future," a leaked memo said, "rather than its precise details."

The campaign is going to focus on areas like four districts east of Belfast where middle-class Protestants expected to favor the settlement voted in disappointing numbers in May out of apparent apathy. The campaign to assure a good turnout will go slower among youths and in deprived areas where planners think people tend to take harder positions.

"We are going to concentrate on older people in general, people who can remember pre-1969 when things weren't so ghettoized," said an organizer from Belfast. "Younger voters in Northern Ireland tend to see things very black and white, much more simplistically."

No one supposes that the accord puts an end to the violence, and many people expect the immediacy of the vote will make the violence-prone even more inclined to bomb and kill.

British intelligence is reporting rising numbers of young people joining the fringe paramilitary groups, and officials note with concern that some of the equipment and techniques involved in recent terror acts committed by splinter groups exceed their capabilities. They conclude that mainstream groups pledged to cease-fires are lending assistance.

"While they adopt a public posture of being sweet and innocent, they may not have abandoned the tactical use of violence to drive home a point," a British official said.

HOPE: It Rises in Belfast

Continued from Page 1

Presbyterian minister of the Cook Cemetery Church.

Holding a man-sized wooden cross in front of him, Mr. Campbell led the group to his church. Among the marchers, pushing a stroller holding her year-old granddaughter, Nuala, was Philomena McLaughlin, a Catholic who said Protestants had killed both her daughter-in-law and the father of her son-in-law.

"This is a very important step," she said of the peace agreement. "It's good for all my children and grandchildren. Now they can be reared in peace without fear of bombs and bullets and beatings."

Another Catholic, Margaret Burke, said, "We've been praying for a long time for peace. I'm going to thank God."

A Protestant woman, Janet Robinson, said, "There is a great sense of forgiveness. We've got to get on with each other."

She said that several years ago a good friend had her legs blown off by a bomb planted under her car by the Irish Republican Army. The IRA, she said, thought the car belonged to a Protestant policeman, but he had moved away.

In the stone church on the Upper Ormeau Road, Catholics and Protestants took turns reading from the New Testament about the crucifixion of Jesus. On one wall was a large British Union Jack; opposite was a large green flag with a shamrock, the symbol of the overwhelmingly Catholic Irish Republic. Mr. Campbell said, "We pray for those in our midst whose answer is assassination in words or deeds."

As she greeted people leaving the church, the Reverend Marlene Taylor, assistant minister at the church, said, "For actual peace to come, it must come in people's hearts and minds. That will take time. But it's a beginning."

A Catholic priest from the nearby parish of Drumbro, the Reverend Paul Symonds, said the peace agreement, "might move us toward a closer unity." But he said, "Where the spirit of God is at work, the spirit of evil will try to destroy. Satan is still at work in the hearts of some people."

RUSSIA: Kiriyenko Snubbed

Continued from Page 1

have used Mr. Kiriyenko's youth and inexperience as the opening salvo in what is widely seen as a broader attack against the government's politics of economic reform.

"We are voting today not so much on the head of the government, but on the course to get out of this crisis," said Gennadi Zyuganov, the Communist Party leader.

But last-minute defectors, such as Vladimir Zhirinovsky, the arch-nationalist, said Mr. Yeltsin's choice was inappropriate. "You can't make a first-grader an academician, or make a sergeant a marshal," said Mr. Zhirinovsky, whose Liberal Democratic Party had been

expected to vote for Mr. Kiriyenko on Friday. "Otherwise, there will be failure and destruction."

But Mr. Zhirinovsky also said that he had backed out of his earlier promises to support Mr. Kiriyenko once it became clear that his party was not going to get any seats in a new cabinet. The final vote, however, suggested that many members of the opposition had broken ranks to vote for Mr. Kiriyenko.

Mr. Kiriyenko, meanwhile, who in two short weeks has been propelled from obscurity to center stage, was saying Friday that he was not available for politics as usual.

"I am absolutely independent and I am not going to listen to anyone except President Boris N. Yeltsin," said Mr. Kiriyenko, who has had only one year of experience in government. "Neither old acquaintances nor friendship will matter."

"We are very worried," she said, "since genuine refugees in need of international protection may well be among those sent back by Malaysia." She added, "I regret that our repeated requests for access to the detention centers have not been granted."

Despite the recent setbacks, Kuala Lumpur has vowed to speed the deportations. The government says there are 800,000 illegal foreign workers in Malaysia. Unofficial estimates put the number as high as 1.5 million.



Vladimir Kiriyenko gesturing as he spoke out Friday in the state Duma.

In a 30-minute speech to the Duma, Mr. Kiriyenko delivered a harsh summary of the nation's economic situation. He said Russia now spends 30 percent of its budget servicing a foreign debt of \$122 billion — up from 13 percent in 1996 — at a time when revenues have shrunk because of the drop in world oil prices. Gross domestic product has stopped growing, he said, and almost one third of all Russians are living at or below the poverty line.

"Over the past half a year, the government has said the economy is growing," he said. "But why has not a single resident of the country felt this?"

Such blunt talk was rarely heard from Mr. Chernomyrdin, the veteran prime minister whose ouster by Mr. Yeltsin remains a political puzzle in Moscow. Now a declared candidate for the presidential elections in 2000, Mr. Chernomyrdin, at a celebration Thursday of his 60th birthday attended by both Mr. Yeltsin and Mr. Kiriyenko, told guests that he had no regrets.

"I never retreated, never betrayed anyone and always knew what I was doing and why," he said.

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ULSTER: Agreement Accepted

Continued from Page 1

"exorcise the demons of history." Mr. Blair said Friday he hoped the agreement would lift the "burden" of Northern Ireland's tortuous past.

Looking ahead to the votes and the effort required to put into place Friday's plan, Mr. Blair said, "I stress that this is the beginning of a process of change where people can work together in ways that they haven't been able to before."

Mr. Clinton called the agreement "the best chance for peace in a generation."

"In the days to come, there may be those who will try to undermine this great achievement, not only with words but perhaps also with violence," Mr. Clinton said. "All the parties and all the rest of us must stand shoulder to shoulder to defy any such appeals."

Gerry Adams, president of Sinn Fein, the political wing of the Irish Republican Army, called the announcement "part of our collective journey from the failures of the past," but he said he still worried about the "huge gap of distrust" between Northern Ireland's two communities.

David Trimble, leader of the Ulster Unionists, the largest Protestant party, who has refused to speak directly to Mr. Adams during the months of talks, said he would continue to snub him until "he stops that dirty squallid little war."

It was a last-minute objection from Mr. Trimble and his party that nearly scuttled the negotiations Friday afternoon and brought a phone call of reassurance from Mr. Clinton, requested by Mr. Blair, over guarantees being sought by the Ulster Unionists covering the ultimate disarmament of paramilitary groups.

During the early hours of the morning, it was the representatives of Sinn Fein who said they were unhappy with so many provisions under discussion that they were not disposed to sign the agreement.

What the negotiators from the 21 months of talks produced was a framework for sharing power designed to satisfy Protestant demands for a reaffirmation of their national identity as British, Catholic desire for a closer relationship with the predominantly Catholic Republic of Ireland and Britain's wish to return to Northern Ireland the powers London assumed in 1972 when the local

LIVE

BREAKING NEWS
ALL PARTIES AGREE PEACE DEAL
AFTER LAST-MINUTE CRISIS
5:38

Former Senator George Mitchell announcing Friday the historic accord he helped hammer out in Belfast.

Stormont legislature was disbanded. Under the agreement, there will be a new democratically elected legislature in Belfast, a new ministerial council giving the governments of Northern Ireland and Ireland joint responsibilities in areas like tourism, transportation and the environment, and a new consultative council that twice a year will bring together ministers from the British and Irish parliaments and the three assemblies being created here and in Scotland and Wales.

The Irish government will move to eliminate its territorial claim on Northern Ireland from its constitution.

The critical issues of police and judicial system reform, the release of paramilitary prisoners, and the dismantling of the vast underground arsenals of weaponry in the province will be submitted to new commissions for study and recommendations.

In the wary and vengeful political atmosphere of Northern Ireland, Protestant leaders must now assure their fol-

lowers that the agreement does not represent the beginning of the integration of their province into Ireland, that the new cross-border council is not the embryo of the all-Ireland government that they fear. And Catholic leaders must persuade their constituents that the pact does not represent abandonment of the long-term goal of union with the Republic and does not constitute ratification of the permanent partitioning of the island.

In the parlance of Northern Ireland, Catholics are referred to as republicans or nationalists, Protestants as unionists or loyalists. Catholics date their resentment of the dominant Protestants to the British creation of plantations here in the 17th century that deprived the native Irish of some of their best land and drove them into subservience. When Protestant power came under serious challenge three decades ago, loyalist paramilitary groups arose to combat the IRA, and Sinn Fein were obliged to leave the talks for weeks because of evidence of that some of their armed people had been involved in sectarian killings after Christmas. Both

Participating in the talks were 8 of Northern Ireland's 10 political parties, some of them admitted only after paramilitary forces they represented adopted cease-fires. Two of them, the Ulster Democratic Party, which represents a Protestant force, and Sinn Fein were obliged to leave the talks for weeks because of evidence of that some of their armed people had been involved in sectarian killings after Christmas. Both were readmitted.

Scientists Swing Into U.S. Debate Over Evolution

By Rene Sanchez
Washington Post Service

WASHINGTON — Fearful that many schools are buckling to new pressure from Christian conservatives not to teach evolution, the National Academy of Sciences has declared that the subject must be a vital part of science instruction and that lessons on creationism do not belong in those classes.

In an unusual move, the academy is issuing an elaborate guidebook for teachers that details how evolution should be discussed with students and how sensitive questions, including those from parents, can be answered. The book calls evolution the most important concept in modern biology, but contends that students are receiving little exposure to it because teachers are being bullied into silence by religious groups.

"We are finding that more teachers

are reluctant to teach about this central idea," said Bruce Alberts, the academy's president. "Our hope is that this will help them."

Today, more than 70 years after the historic trial and conviction of John Scopes for teaching evolution in a Tennessee school, there are again growing campaigns across the country to limit or prohibit discussion of the subject in science classes. Several school boards have ordered teachers to give equal time to creationism and lawmakers in a few states want to remove the term evolution from their science curricula altogether. In Alabama, biology textbooks now include a disclaimer telling students that evolution is only a controversial theory.

Few issues in education are older or

more contentious. Many Christian conservatives, however, scoffed at the academy's stance and said the decision to teach evolution or creationism, or both, should strictly be a local one. "We believe communities have the right to have their values reflected in the curriculum," said Arne Owens, a spokesman for the Christian Coalition. "Public schools are harmed when they exclude important, legitimate points of view."

Many of them welcomed the academy's leap back into the debate. "This is a very real problem for teachers," said Wayne Carley, the president of the National Association of Biology Teachers. "And it's definitely on the increase."

Some religious conservatives, however, scoffed at the academy's stance and said the decision to teach evolution or creationism, or both, should strictly be a local one. "We believe communities have the right to have their values reflected in the curriculum," said Arne Owens, a spokesman for the Christian Coalition. "Public schools are harmed when they exclude important, legitimate points of view."

When Indonesia is facing an economic crisis. That is the push factor." A Western diplomat said the UN agency had not been given access to illegal immigrants held in detention centers around the country, making it difficult for the organization to judge claims by many of the detainees that they will be persecuted if they return to Indonesia.

"If that procedure has been adhered to perhaps we wouldn't have the situation we have today," the diplomat said. Sadako Ogata, the High Commissioner for Refugees, last month urged Malaysia to stop deporting the Acehnese.

"We are very worried," she said, "since genuine refugees in need of international protection may well be among those sent back by Malaysia." She added, "I regret that our repeated requests for access to the detention centers have not been granted."

Despite the recent setbacks, Kuala Lumpur has vowed to speed the deportations. The government says there are 800,000 illegal foreign workers in Malaysia. Unofficial estimates put the number as high as 1.5 million.

In a letter to the German Embassy in Washington, the group said the government in Bonn should "cease and dis-

Scientologists Ask Bonn to 'Cease' Policies

The Associated Press

WASHINGTON — The Church of Scientology on Friday again called on Germany to end its "discriminatory policies" against the organization after a German security agent was arrested in Switzerland, apparently as he was trying to spy on Scientologists there.

In a letter to the German Embassy in Washington, the group said the government in Bonn should "cease and dis-

close all such activity against Scientology in the U.S. and in the more than 100 countries where Scientology churches and missions exist around the world."

In Basel on Monday, the authorities detained a German official who was allegedly trying to collect information on the group. Germany considers the organization a business that engages in coercive activities and bilks its members through fake counseling sessions.

Crimes Court

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UN Suspends Inquiry Into Hutu Deaths

Kabila Provides No Clues To Rwanda Refugees' Fate

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The United Nations on Thursday suspended its investigation into allegations of massacres of Rwandan refugees in Congo, after weeks of harassment and the detention this week of a Canadian member of the team.

Mary Robinson, the UN high commissioner for human rights, said in Geneva that there was no longer any excuse for the behavior of President Laurent Kabila's government in Congo, the former Zaire.

She also raised the possibility that the investigators would be withdrawn from the country after a year of ill-fated attempts to find out what happened to tens of thousands of Hutu driven from their camps in eastern Congo in late 1996 and early 1997 by pro-Tutsi forces loyal to Mr. Kabila, who seized power last May.

"Clearly there are justifiable doubts as to the value of maintaining the investigative effort in the Democratic Republic of Congo," Mrs. Robinson said.

The UN high commissioner for refugees, Sadako Ogata, has said she believes that up to 250,000 Hutu are missing. The United States, which stalled efforts to deploy a peacekeeping force on the Rwanda-Congo border when it became clear that camps were being emptied by force, told relief officials at the time that all the refugees had gone home.

Last year Secretary-General Kofi Annan, urged on by the Clinton administration, which was trying to develop good relations with Mr. Kabila and the Tutsi-led government in Rwanda, went out of his way to create an investigative team that Congolese officials would not reject.

Mrs. Annan was criticized by human rights groups for dropping the chief investigator appointed by the UN Human Rights Commission, Roberto Garretón of Chile, and reconstituting the team to make it acceptable to Mr. Kabila, who also wanted to dictate how and where the team would work.

The conciliatory approach never really worked, however. Congolese officials caused long delays in allowing the team to enter the country and begin fieldwork. The government in Kinshasa then blocked evidence-gathering missions and intimidated local witnesses. The interference culminated this week in the overnight detention of the Canadian, Christopher Harland, and the photocopying of documents taken from his luggage.

"This pattern of obstruction calls into question the promises made by the Kinshasa authorities to allow a proper investigation of grave violations of human rights committed over the past several years," Mrs. Robinson said.

Some human rights organizations have said in recent weeks that it was time to declare the mission a failure and end it.

Human Rights Watch urged Mr. Annan to withdraw the team in March, after investigators had been prohibited from examining a mass grave.

"We felt that enough is enough," said Joanna Weschler, the UN representative of Human Rights Watch. "There have been so many acts of hostility against the team."

Education
every Monday in The International



BOMB IN TURKEY — An Indian tourist gesturing to her husband, who was among nine people wounded slightly by a blast in central Istanbul on Friday. No group claimed responsibility for the bombing.

BUDGET: \$50 Billion U.S. Surplus Is Now Considered Likely

Continued from Page 1

bring an enormous bulge in revenue this month and put the budget for the year in the black.

If the surplus for April and the remainder of the fiscal year are equal to the \$89 billion surplus posted in the second half of fiscal 1997, then the surplus for all of 1998 would be \$18 billion, although almost all analysts believe the surplus will be much greater in the second half of the year.

And if revenue continues to grow in the second half of the fiscal year, the surplus for 1998 could reach \$75 billion.

The rapid change in the surplus estimates and their widespread dispersion is not unusual even with the fiscal year half over.

"The truth is that nobody knows what

the surplus is going to be," said Robert Reischauer of the Brookings Institute, a former director of the Budget Office.

Mr. Reischauer said, however, that he believed that projections in the range of \$60 billion to \$80 billion were "wishful thinking."

"But anything from \$20 billion to \$50 billion is not out of the question at all," he added.

Whatever the surplus turns out to be, achieving it will be all the more remarkable because of some of the decisions made to an agreement last year between Mr. Clinton and the Republican-controlled Congress.

The deal, which did not anticipate a surplus until 2003, included spending increases and tax cuts that were expected to push this year's budget about \$21 billion in the direction of a higher deficit.

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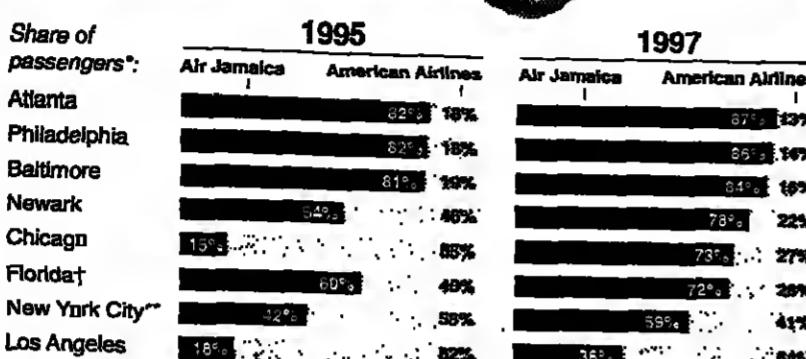
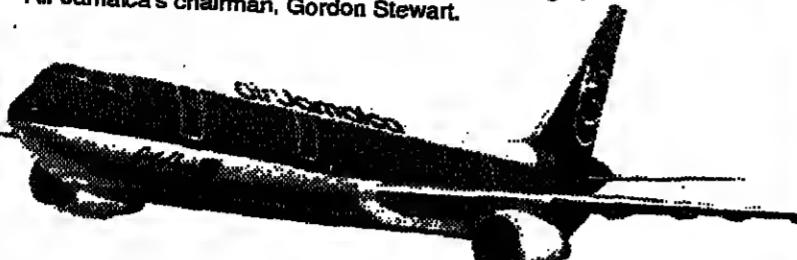
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BUSINESS/FINANCE

SATURDAY-SUNDAY, APRIL 11-12, 1998

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Outflying a Competitor

Air Jamaica says it is now carrying more passengers to Jamaica than American Airlines from several key markets. At right, Air Jamaica's chairman, Gordon Stewart.



International Herald Tribune

Seoul Starts Apportioning Blame

Ex-Finance Minister and 2 Others Investigated for Financial Crisis

Compiled by Our Staff From Dispatches

SEOUL — South Korea began an investigation Friday to determine whether a former finance minister and two other officials should be held accountable for the currency crisis last year.

The Board of Audit and Inspection asked prosecutors to investigate Kang Kyung Shik, who was also deputy prime minister until his dismissal in November, and Kim In Ho, a senior economic adviser to former President Kim Young Sam, said K.B. Lee, a board spokesman.

A third unnamed official, who headed a Korean merchant bank, will also be investigated.

The board said it had conducted a special investigation from Jan. 30 to March 7 to answer public demands to uncover the cause of the financial crisis and who was responsible for it.

The inquiry is designed to prevent a similar currency crisis from occurring in the future by determining what caused the country's financial system to collapse in a matter of weeks. Korea is paying a hefty price for its financial mismanagement with the economy skidding into its first recession since 1980 and with corporate bankruptcies and unemployment already racing to record highs.

Mr. Kang was fired on Nov. 19 as it became clear that Korea would need international assistance because its currency reserves were spent and several banks were on the verge of default. The International Monetary Fund signed an agreement with the Korean government on Dec. 3 to arrange a record bailout that could top \$60 billion.

A spokesman for President Kim Dae Jung, who took office in February, declined to comment on the investigation.

According to a statement by the board, the country's economic policy-makers failed to acknowledge the seriousness of the financial crisis and did not respond effectively.

The statement said that inconsistent foreign exchange policies had depleted the nation's foreign currency reserves and that the government was not fully aware of the nation's external debt liabilities.

"Their failure to report Korea's problems in a timely fashion to the president made the country lose the chance to prepare measures to ward off the currency crisis," Mr. Lee said.

Foreign banks cut credit lines to Korean borrowers late last year as their ability to repay short-term debt was called into question. Because Korea had

an estimated \$21 billion of foreign currency debt that matured in the last few weeks of 1997, the resulting mad scramble for dollars sent the won crashing in a record low, exacerbating the debt problem.

At that time, the central bank used a considerable portion of dwindling foreign reserves to defend the won by selling as much as \$21.3 billion. Foreign currency trading was paralyzed in the middle of December, with only the central bank willing to buy the plunging Korean currency. (Bloomberg, Reuters)

■ Volvo Buys Samsung Division

The Securities Supervisory Board said Friday that Volvo Construction Equipment Corp. of Sweden had agreed to take over the heavy equipment production division of Samsung Group of South Korea for \$766.9 million. Agence France-Presse reported from Seoul.

The board, quashing a report submitted by Samsung, said the deal involved production facilities for excavators, loaders, cranes and cement carriers.

The debts, visible and invisible assets of the division, and intellectual property rights, as well as its work force would be taken over by the Swedish group, a subsidiary of Volvo AB, the Samsung report said.

Shekel's Fall May Delay Reforms

Compiled by Our Staff From Dispatches

JERUSALEM — Israel's central bank confirmed Friday details of its plan to lift foreign-exchange restrictions, although some reforms could be delayed following a sharp plunge in the national currency this week.

The proposals, submitted this week by Yaacov Frenkel, the central bank governor, to Prime Minister Benjamin Netanyahu, would lift all restrictions on the ownership by individuals of foreign currency and foreign bank accounts.

Israelis will also be allowed unlimited investment of assets abroad and will be able to purchase homes and cars inside Israel with dollars, bank officials said.

The liberalization plan, due to go into effect on May 1 to coincide with celebrations of Israel's 50th anniversary, will effectively make Israel's currency, the shekel, fully convertible.

Gideon Schur, a Bank of Israel official, said Israelis would be permitted to pay for items in dollars, following the completion of the liberalization pro-

gram, which is expected to take place by the end of the month.

But in New York, A. Abend, a joint managing director responsible for western-hemisphere operations of Bank Hapoalim, told the International Herald Tribune that although the plans allow other currencies to be used inside Israel, Mr. Abend said they did not require them to be accepted. Under current regulations, he said, it was illegal for domestic transactions to be carried out in foreign currencies. He said he did not expect the shekel to be replaced by the dollar.

Many Israeli business executives have expressed fears that the reform will lead to a flight of capital from Israel and a sharp devaluation of the shekel, concerns heightened by the recent financial crisis in Asia.

The critics' worries were reinforced this week as the shekel depreciated sharply, at one point losing more than 2 percent against the dollar in a single day, as dealers anticipated the upcoming reform. The dollar stood at 3.6776 shekels Monday.

In light of the turmoil and warnings by some business executives that Israel could become a target of politically motivated speculation, Mr. Netanyahu has reportedly insisted on maintaining some restrictions on institutional currency transactions for the time being.

According to reports, Mr. Frenkel and Finance Minister Yaacov Neeman reluctantly agreed at a meeting Tuesday to maintain restrictions on institutional investors, notably pension and insurance funds.

Some analysts said the central bank made its proposals known to the press Friday in part to calm the markets and quell speculation against the shekel.

Mr. Abend said that Israel's economy was relatively strong and that the country has sufficient foreign reserves to protect the shekel. Israel had about \$21.6 billion of reserves at the end of March, almost double that of the previous year, and according to date from Salomon Smith Barney, this is sufficient for about eight months of imports. (AFP, Bridge News)

A Battle in the Sky for Sand and Sea

Air Jamaica Fights for Profitability and Preeminence in Island Market

By Laurence Zuckerman
New York Times Service

KINGSTON, Jamaica — In 1993, American Airlines gave Gordon Stewart, the owner of 10 Caribbean resorts and this island's most celebrated entrepreneur, an award for his contribution to developing tourism in the region.

Three years later, after Mr. Stewart took control of Air Jamaica, the troubled state-owned airline, and began adding routes and improving service, the folks at American gave him something else to remember them by: They slashed fares by 50 percent, driving an already shaky Air Jamaica to the brink of collapse.

Since that near-death experience, Mr. Stewart has grabbed market share away from American and increased revenues to \$225 million last year from \$128 million in 1994. Air Jamaica says it now carries nearly half of the air passengers who arrive on the island, more than double the total of three years ago.

Mr. Stewart has also increased Air Jamaica's reliability and reach and won over customers with tones like

free champagne. And he has survived a drawn-out battle with regulators in the United States and the abrupt departures within the past two years of three senior executives.

For all Mr. Stewart's doggedness, however, the airline is still bleeding red ink, losing \$145 million in the last two years. But Mr. Stewart, who goes by the nickname "Butch" and wears his button-down shirts open at the collar, predicts Air Jamaica will soon turn the corner into profitability.

And the airline continues to expand. On Monday, it began an alliance with Delta Air Lines Inc., drawing passengers from that carrier's vast network. It seems that American Airlines, a unit of AMR Corp., now regards Mr. Stewart with heightened respect.

"One thing you have to give Butch Stewart, he is going to try everything to make the company work," said Peter Dolar, American's senior vice president for Miami, the Caribbean and Latin America, who has known Mr. Stewart for years. "The man is a ferocious competitor."

But then, so were a lot of other entrepreneurs who started airlines in the United States and elsewhere and

got beaten down by the giants. The most visible of them is Richard Branson, the Englishman who founded Virgin Atlantic Airways in 1984 and went on to build an empire of more than 200 companies with \$2.5 billion in annual revenue.

Mr. Stewart, 56, is commonly referred to as Jamaica's Branson, and in his bid to live up to that title he enjoys advantages that go beyond the sheer grit that Mr. Dolar talks about. His corporate empire — which includes trading and manufacturing businesses as well as resorts — has made him a budding billionaire, giving him vast resources to fall back on in hard times.

He also exerts huge political influence in Jamaica, where he is considered by some to be more powerful than the prime minister. In any case, the government is unlikely to let Air Jamaica — with all its jobs — fall. The government is still a shareholder and has already agreed to extend a \$110 million loan guarantee to the airline as compensation for its regulatory problems with Washington. The loan will

See AIRLINE, Page 12

MEDIA MARKETS

Microsoft and U.S. Reach for Common Ground in Antitrust Confrontation

By Steve Lohr
New York Times Service

NEW YORK — The Justice Department's top antitrust official met with Microsoft Corp.'s general counsel Friday in Washington in what both sides have been portraying as an effort to find common ground instead of going to court again.

Although neither side would say what was discussed, the meeting had promised to be a high-stakes hand in the antitrust poker game being played by the government and Microsoft. The Justice Department must be ready to bring a new antitrust case against Microsoft, even if it chooses not to, if it is to force the software maker to alter practices that it thinks restrict competition and threaten innovation.

And Microsoft must be prepared to call the government's bluff and take its chances in court.

At the meeting, headed on the Justice Department side by Joel Klein, the assistant attorney general in charge of antitrust issues, the government had been expected to present some of its concerns about Microsoft's contracts with personal computer makers and others.

The Justice Department thinks that

these contracts enable Microsoft to use its dominance in computer operating system software to give it an unfair edge in markets like office productivity software and on-line commerce, a person close to the inquiry said.

The Microsoft team, led by William Neukom, senior vice president for law and corporate affairs, had been expected to try to explain that practices the government finds questionable are, in fact, entirely legal if fully understood.

The Microsoft chief operating officer, Bob Herbold, said that the company was going to "clear the deck" by dropping contract restrictions on the freedom of web site operators to promote or distribute the Internet browsers of rivals like Netscape Communications Corp.

Those contract restrictions were absolutely legal, but we've decided to drop them because they attracted attention in Washington and elsewhere," Mr. Herbold said.

To sway public opinion, Mr. Herbold said, Microsoft also plans to extend a series of advertisements, which began Thursday in newspapers nationwide, explaining why it thinks that the government should leave the company alone.

The Justice Department executive

is looking closely at several kinds of Microsoft contracts such as its "market development agreements" with PC makers, one industry executive said. Under these contracts, PC makers that agreed to load not only Microsoft's Windows operating system but also several other Microsoft products benefit from lower prices and marketing help.

There is generally nothing illegal about a company's offering preferential treatment for its best customers. But according to the industry executive, the Justice Department does have a 1997 document from a Microsoft official to a PC maker saying that if the company chose to load Microsoft's Lotus SmartSuite, which includes word processing and spreadsheet programs and competes with Microsoft's Office software, that would "burn the relationship" between Microsoft and the PC maker under their lower prices and marketing help.

The document, the industry executive

said, appeared to be evidence of Microsoft using its near-monopoly in operating system software, which every PC maker must have, to give it leverage in markets where competition still exists.

Still, one antitrust lawyer noted that the 1997 document could also be interpreted

as simply reflecting the reality that if the customer bought less software it would no longer qualify for preferred terms.

Examining such contract arrangements is well beyond the focus of the lawsuit filed by the Justice Department last year. In October, the government contended that Microsoft had violated its 1995 consent decree with the Justice Department by requiring PC makers to load its Internet Explorer browser software as a condition of licensing its Windows operating system. Since then, the Justice Department has expanded its investigation beyond the browser market.

Another contract curb the Justice Department is scrutinizing is its control over a computer's "boot up" sequence

— that is, what appears on the screen when the computer is started. Microsoft asserts that total control of the boot-up is necessary to give users a consistent experience and "protect the integrity of its operating system."

But PC makers often bridle at Microsoft's control of what customers see on the desktop. As the PC increasingly becomes the consumer's gateway to online commerce, the value of controlling what appears on the screen becomes greater.

"The boot-up is one of those important issues that goes beyond the browser market," said Ken Wasch, president of the Software Publishers Association, an industry trade group. "It speaks to the issue

of the control of content and of tying software applications and services to the operating system."

The Justice Department is under pressure to move quickly if it is going to take action against Microsoft before the market shifts again. The company's next-generation operating system, Windows 98, will be shipped to PC makers in mid-May.

In October, when the government filed its consent decree case against Microsoft, the suit came four days after a Washington meeting between Mr. Klein and Mr. Neukom. But both sides said Thursday that Friday's meeting should not be viewed as similar to last October's confrontation.

Firefly Sale Sparks Debate on Privacy

By John Markoff
New York Times Service

SAN FRANCISCO — Microsoft Corp.'s purchase of a tiny software developer, Firefly Network Inc., generated barely a ripple on Wall Street when it was announced Thursday.

But the deal highlights a debate on privacy over Firefly's technology, which allows computer users to control more of their personal information on the Internet.

While some privacy advocates see the Firefly software as a protection of individual privacy, others warn that if Microsoft, as expected, integrates the software into its Web browser, it will make the gathering of vast quantities of information about individuals part of the very fabric of the Internet.

At the very least, the Firefly technology represents the potential for businesses to expand significantly the systematic collection of personal and behavioral information for marketing purposes.

A spin-off of Nicholas Negroponte's Media Lab at the Massachusetts Institute of Technology, Cambridge-based Firefly designed a form of artificial intelligence that can offer personalized recommendations for things like music and movies based on Internet users' tastes, preferences and behavior.

Those kinds of data are also hungrily sought by corporations that want to target their ads with pinpoint accuracy.

Firefly, however, also embraces and champions a new set of Internet privacy standards, which helps a computer user choose how much personal information is transmitted when visiting a Web site.

The debate among privacy advocates stems from the fact that Firefly's standards represent a compromise between those who want to unleash the power of the Internet to aim individualized advertising in a way never before possible and those who want to curb potential abuses by corporations and government agencies.

Microsoft, which dominates the personal-computer industry and is a growing force on the Internet, hailed the acquisition of Firefly as a major step forward for personal privacy, calling it a standard that would return control over personal information to the individual.

But some privacy advocates question whether any system for gathering personal information could ever adequately protect individual privacy.

"The Internet is at a privacy crossroads," said David Sobel, legal counsel for the Electronic Privacy Information Center, an advocacy group in Washington. "Firefly and Microsoft have proposed standards that will make the world safe for data collection, and to that extent we have problems with these technologies."

Others disagreed sharply, saying that the safeguards built into Firefly offer the best opportunity for compromise in a digital world where, increasingly, every mouse click is noted, stored in some vast database and analyzed somewhere.

"We can't be Luddites and put our heads in the sand," said Deirdre Mulligan, staff counsel for the Center for Democracy and Technology, another Washington-based privacy organization.

"This will put users in control of their personal information," said Nick Grouf, Firefly's president and chief executive officer.

CURRENCY & INTEREST RATES

April 9-10

Telecom Italia Plans To Link With C&W

Alliance Would Share Clients Worldwide

By Michael S. Kimmitt, Staff Writer

ROME — Telecom Italia SpA and Cable & Wireless PLC said Friday they were in talks to combine telecommunications networks and share clients in Asia, the Americas and Europe to become the world's second-largest carrier of international calls.

As a first step toward a planned global alliance, Telecom Italia said it would buy the British telephone company's 20 percent stake in Bouygues Telecom SA, France's third-largest mobile-phone service, in which it already owns 10 percent. The purchase, terms of which were not disclosed, would turn Telecom Italia into Bouygues Telecom's largest shareholder.

Telecom Italia said its planned link-up with Cable & Wireless did not rule out a yet-to-be-finalized alliance with the U.S. giant AT&T Corp. "The two things are separate," a Telecom Italia spokesman said. "Our negotiations with AT&T will carry on."

The Italian company, whose monopoly for fixed-line telephone service in Italy ended Jan. 1, is especially strong in Europe and Latin America. Its Telecom Italia Mobile SpA unit is the largest mobile phone company in Europe.

Cable & Wireless, Britain's second-largest telephone company,

focuses on the Asia-Pacific region and the Caribbean, with a major presence throughout the British Commonwealth — regions in which Telecom Italia is nearly absent.

Separately, Telecom Italia said its net profit rose nearly 11 percent last year, to 3.4 trillion lire (\$1.9 billion), as sales rose nearly 10 percent, to 42.8 trillion lire.

But profit was lifted primarily by its non-core, overseas operations. Profit for its core business of providing fixed-line service in Italy fell 10 percent, to 2.3 trillion lire, because of 800 billion lire restructuring charges.

Telecom Italia also said that it has signed a memorandum of understanding with Italy's state broadcaster, Radiotelevisione Italiana, or RAI, to form a joint company that will manage, operate and distribute a digital TV and multimedia platform for the Italian market.

The planned alliance of Telecom Italia and Cable & Wireless would compete against rival groupings with global telecommunications ambitions, such as Global One, which unites Deutsche Telekom AG, France Telecom SA and Sprint Corp., as well as against AT&T's venture with Unisource NV, a grouping of Dutch, Swiss and Swedish telephone companies.

(Bloomberg, AFX, Reuters)



AT THE GATES — Indonesian students clashing Friday with riot police in Surabaya as the police blocked the students from taking their anti-government protest from the campus into the streets.

Indonesia Unveils Plan For IMF Pact

By Michael S. Kimmitt, Staff Writer

JAKARTA — Indonesia announced sweeping measures Friday to end its worst economic crisis in decades and set target dates for the implementation of key reforms to add credibility to the package.

The reforms include a 153 trillion rupiah (\$18.24 billion) plan to help overhaul Indonesia's banking system as part of an International Monetary Fund agreement.

A spokesman for the IMF in Washington said the Fund's board had not yet discussed or voted on the reform package.

The new plan, which comes after the IMF suspended aid from a \$40 billion bailout plan because the government failed to keep promises in two earlier pacts, also outlines steps to end foreign ownership restrictions. It includes provisions to beef up bankruptcy laws, help companies repay foreign debt and sell shares in state companies.

"If this program is implemented seriously and fully, we believe our economy will gradually improve," said Gintandjar Kartasasmita, the Indonesian coordinating minister for economics and finance.

Most dramatically, though, the latest IMF plan aims to rein in the central bank, which has been stoking inflation by keeping crippled banks afloat. It aims to finance the Indonesian Bank Restructuring Agency — a newly created government body — through a government bond issue to be repaid as the agency restructures banks and sells some of those banks' assets.

For the first time, the IMF and Indonesia have acknowledged how much has been lent by the government to keep insolvent banks operating in the last few months — 80 trillion rupiah.

Other points in the pact include:

• It promises a new anti-monopoly law, moves to set up a bankruptcy court and regulations for winding up of companies, mergers and acquisitions.

• The package also provided the sketch of a framework to resolve the \$74 billion in private foreign debt.

• The reform package aims to bring the rupiah down to about 6,000 to the dollar over time.

• Indonesia would also gradually raise fuel and electricity prices.

• Oil and gas and other foods would remain for some time.

(Bloomberg, Bridge News, Reuters)

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
17500	17500	17000	17000	16500	16500
17000	17000	16500	16500	16000	16000
16500	16500	16000	16000	15500	15500
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2500	2500	2000	2000	1500	1500
2000	2000	1500	1500	1000	1000
1500	1500	1000	1000	500	500
1000	1000	500	500	0	0

Source: Telexis

International Herald Tribune

Investor's Asia

Hong Kong Hang Seng

Singapore Straits Times

Tokyo Nikkei 225

Friday Close % Change

Hong Kong Hang Seng Closed 11,342.02 -1.56

Singapore Straits Times Closed 1,594.05 -

Sydney All Ordinaries Closed 2,205.80 -

Tokyo Nikkei 225 Closed 16,481.12 16,536.68 -0.34

Kuala Lumpur Composite Closed 673.14 675.85 -0.41

Bangkok SET Closed 446.13 444.23 -0.43

Seoul Composite Index Closed 463.22 463.11 -0.04

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International Herald Tribune

Investor's Asia

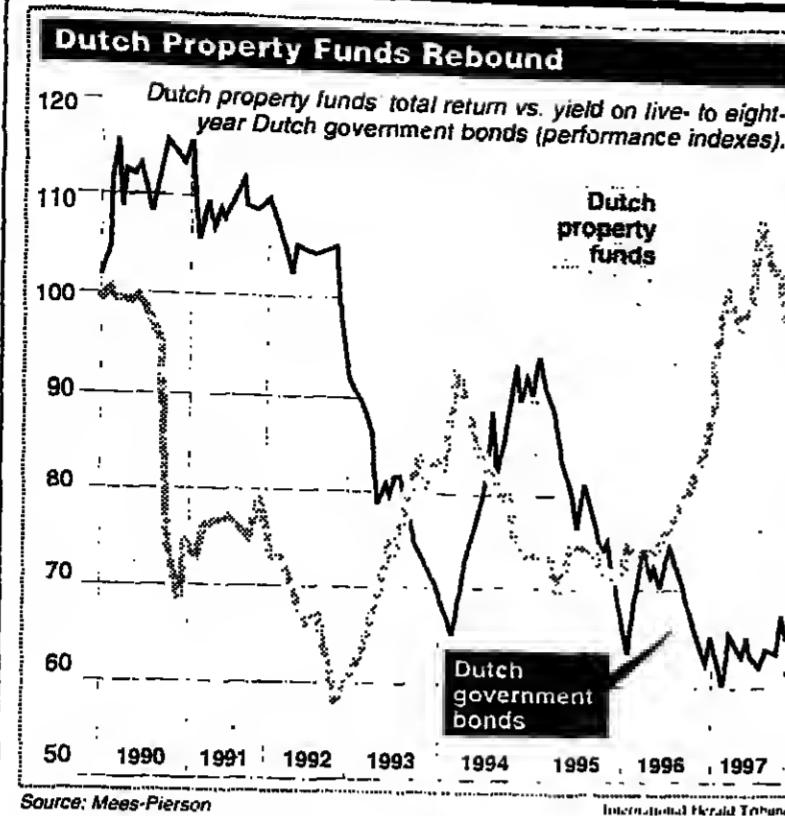
Hong Kong Hang Seng

Singapore Straits Times

Tokyo Nikkei 225

Friday Close % Change

Hong Kong Hang Seng Closed 11,342.02 -

E-mail address: moneyrep@iht.com

ont Inroad

Amsterdam Bonanza:
Real-Estate Funds

INVESTORS WITH an appetite for West European assets and income are on a starvation diet these days, as rates on savings accounts and bonds hover in the low single digits across much of the Continent. It may be time for them to check out the Amsterdam Stock Exchange, home to a group of closed-end real-estate funds that typically pass most of their income along to their shareholders.

These funds look especially attractive right now. Their dividend yields are 6.5 percent and higher, compared with, for example, a miserly 3.5 percent to 3.8 percent on savings accounts in the Netherlands. At the same time, real estate around the globe, with the exception of Asia, is on an upswing after a severe downturn. American markets are booming and recovery is at various stages in Europe, promising at least two more years of healthy income before the threat of overbuilding arises.

The funds vary widely, depending on where they operate, types of properties, management and valuations. Many were originally listed in the Netherlands to be accessible to big Dutch pension funds, among the earliest institutional investors in real estate, but their healthy dividends have attracted individuals seeking income.

The biggest global fund is Rodamco NV, with 10 billion guilders (\$4.8 billion) in assets. Run by Robeco NV, the Rotterdam-based asset managers, it owns commercial property—from shopping centers to office complexes—in Europe and America.

Conservative management had taken a toll on Rodamco's profits in recent years, depressing the yield of its shares. Last year, however, Rodamco's profit leaped 20 percent as its managers changed their approach.

"They shortened considerably the time they held a property, bought higher-quality properties, and improved the quality of those already owned," said Herma Boom-Conradi, who follows property funds for MeesPierson, the securities and banking subsidiary of Fortis AG. Ms. Boom-Conradi has a buy rating on Rodamco. She figures the fund will see an 8-to-10 percent rise in profit this year.

"That's still good for a property fund," she said, "and they're also benefiting from the strong dollar, with 40 percent of their portfolio in the

U.S., and a strong pound sterling, with another 20 percent in the U.K."

Arijan Knibbe of Kempen & Co. said he, too, liked Rodamco's new approach. Although its share price has fallen over fears about its Asia holdings, he said investors overreacted.

"They only have about 6 percent of their portfolio in Asia, and the projects there are still under construction," he said.

"Moreover, they will be in a good position to bottom fish when Asia turns up, and given the volatility of those markets, that could be very attractive."

Rodamco is also the Dutch property fund whose shares are trading near the value of the assets they represent, and the fall in price has produced a dividend yield of 6.8 percent. "In a historical context, that's quite high," said Mr. Knibbe.

More adventuresome investors may want to consider Mr. Knibbe's aggressive niche play, the Uni-Invest NV fund, which is 100 percent Dutch and whose "opportunistic" management has snapped up portfolios while others have been merely looking.

Uni-Invest is heavily invested in the red-hot Dutch office market, and its fortunes have taken off with the recovery of the sector, which hit bottom in 1993. The market now suffers from a space shortage.

The fund's share price has soared 60 percent in the past two years, while the value of its portfolio has tripled, to 2.5 billion guilders. The dividend yield is a fat 9 percent-plus, based on expected payouts, in part because the company includes a portion of the proceeds from property sales. Uni-Invest's shares, however, are trading at a steep 25 percent premium to the value of the company's assets.

For a more conservative play, Ms. Boom-Conradi suggested Vast Ned Retail NV, a fund specializing in rented stores and small shopping centers. Besides efficient and innovative management, she said she expected it to benefit from a pickup in consumer spending, allowing it to raise its rents.

"We're just beginning to see the first signs of higher rentals, but it's good to be early, and the fund is already paying a high yield of 8 percent," she said.

—JUDITH REHAK

For further information:

• RODAMCO: Telephone: 31-20-224 1224 for Dutch version; 352-4363 4231 or 412-9999 for foreign version.

• UNI-INVEST: Telephone: 31-20-617 7400. Web site: www.uni-invest.nl.

• VAST NED RETAIL: Telephone: 31-10-342 4300.

U.K. and Dutch Firms Find Profit in the Company of Ex-Foes

By Conrad de Aenle

THE DUTCH AND English have not always enjoyed one another's company—or companies. The competition of their respective East India companies led to considerable friction and even war. The two states and their businesses get along much better now, the amity epitomized by British-Dutch enterprises such as the oil producer Royal Dutch-Shell Group, the consumer-goods company Unilever and the publisher Reed Elsevier.

"Within Europe, the Dutch have the most in common with the English culturally," said Marcus Smith, a fund manager in London for Massachusetts Financial Services Co., explaining the cross-border enterprises. He was referring largely to corporate culture.

"On shareholder value and the way companies are managed, there's more of a similarity," he observed. "There's more of an equity culture."

He contrasted the Dutch and British ways of doing things with the system of cross-holdings in France and Germany, where large companies swap stakes among themselves, making it hard for outsiders to have much say in how they are run or much chance of succeeding in a hostile takeover.

As for why Dutch and British companies tend to merge and be run from both countries, one analyst offered a cynical explanation.

"U.K. companies don't want to be taken over by Dutch companies and the other way around, so they have to merge," he said. "It has to do with pride."

You might expect some arbitrage possibilities between the branches if the price of one half gives it a different valuation than the other but analysts said any spreads that open up disappear quickly.

In fact, their structures tend to keep their prices low, analysts said. If a weak guilder makes the Dutch earnings look good, for instance, investors in Britain, if the pound is stronger, will sell poor results and mark the shares down accordingly. The Dutch shares will then tend to be marked down to the British level.

This week, according to Bloomberg data, the British arm of Unilever traded at a price-to-earnings ratio of 26 times expected profit for the coming 12 months and offered a dividend yield of 1.67 percent. The Dutch arm, meanwhile, traded at a P/E ratio of 29 and yielded 1.44 percent.

Reed was priced at 22 times earnings and a 2.92 percent yield, while Elsevier fetched 24 times earnings and paid 2.72

percent. Royal Dutch was priced at 24 times earnings and yielded 2.61 percent; Shell Transport sported a P/E ratio of 22 and a yield of 3.12 percent.

THE LARGEST of the British-Dutch conglomerates is Royal Dutch-Shell Group. Despite being so big, the oil company these days is beleaguered. Analysts have been downgrading its shares, arguing that they are expensive relative to those of others in the industry, a business based on a commodity that has been bouncing around decade-low prices.

Analysts at Lehman Brothers said in a report that they expected the stock in Royal Dutch Petroleum Co., which owns 60 percent of the enterprise, to fall to 104 guilders (\$50) per share from its recent price of about 121.

"We believe performance will be at risk on a 12-month view," they wrote, "from low upstream volume growth and Asian exposure downstream."

In laymen's terms, Royal Dutch will be up a creek because the amount of oil it is producing is growing slowly, and sales and profits on what it does produce will be limited by weakness in one of its key markets.

The analysts add that weakness in the chemical business will depress profitability. For the company as a whole, they expect earnings per share to fall 11

percent this year and 4 percent in 1999.

Gordon Gray at Salomon Smith Barney has also trimmed his earnings estimates for Royal Dutch and recently lowered his rating on the stock to "outperform" from "buy." He said money invested in the company's shares could be put to better use elsewhere.

"While remaining very confident about the company's long-term prospects for growth and improving returns, short-term prospects suggest a swap into British Petroleum," he said.

British Petroleum Co. "has less Asia exposure," he continued, "and it has more exposure to a possible rebound in crude prices."

He noted, too, that Royal Dutch had suffered from currency movements not just in Asia.

"The 1997 dividend is likely to disappoint U.S. investors," he said, "since it has shown no growth in dollar terms."

Thanks to weakness in the guilder.

LEHMAN ANALYSTS likewise compare Royal Dutch unfavorably with BP, estimating the ratio of Royal Dutch's share price to 1998 earnings at about 29, compared with 20 for BP.

The analysts recommend "using any trading bounce in the near term" to sell Royal Dutch and buy BP or any of sev-

eral other European oil companies: Elf Aquitaine SA, Eni, Neste Natura, Ildrocarrubo SpA, or OMV AG.

Opinion is mixed on Unilever. Those who like the company point to its vigorous restructuring program, including the sale of its specialty-chemicals division for nearly \$5 billion as part of a drive to shed businesses outside what management considers core areas of expertise. Unilever is a more dominant player in its field than many investors give it credit for, analysts at Goldman, Sachs & Co. contend, and it will be stronger still once the restructuring is complete.

"The sluggish operating performance in the early 1990s, together with high-profile problems (involving certain products), have left many investors with the impression that Unilever has a relatively poor-quality portfolio," the analysts said. "We strongly disagree. With a few obvious exceptions, Unilever has a series of core market positions which are unusually strong."

They said they expected the company's earnings to grow by up to 15 percent a year for the next two to three years, more than others expect. Unilever is priced more attractively than other companies in its field, they say, and they include the stock in their "global priority list," Goldman's highest rating.

Continued on Page 15

Europe's Hottest Market Is a Dutch Treat

By Judith Rehak

ALL OF THE main European markets are hot these days, but stocks in Amsterdam have been on fire for the entire decade. The AEX blue-chip index has nearly quintupled since the end of 1989, with a rise of 27 percent this year following a 41 percent gain in 1997.

"If you look across the last 15 years, the Dutch equity market has returned 20 percent per annum on a total return basis, which is just an amazing performance," said Frans van Schaik, Dutch equity strategist for ABN-Amro Bank NV in Amsterdam.

Fueling the run-up is a flood of cash from institutions and individuals. Mr. van Schaik cited the early arrivals, global investors who discovered Dutch stocks as a cheap way to get into Europe, followed by Dutch pension funds, which belatedly realized that bond returns would not meet their payout targets. These retirement funds now have a third of their assets in equities, up from 12 percent at the beginning of 1990.

But the soaring stock market is also being driven by a crowd of new participants. Conservative Dutch investors, who once shunned share ownership as a high-risk gamble, have done an astonishing about-face, diving into equities in droves as they flee record low rates of 3.5 percent to 3.8 percent on savings accounts, and worse, taxes as high as 60 percent. By contrast, the country has no capital-gains tax.

"One Dutch household in seven owns stocks now, compared with one in 20 10 years ago," said Robert Bakker, a spokesman for the Amsterdam Exchanges, which combines the primary market, the new NMAX small-companies market and the AEX Optiebeurs, or options exchange.

First-timers are buying everything from individual stocks to click funds. The latter are exotic instruments, based mostly on the AEX index, that allow each shareholder a one-time option to lock in profits—or click—when the index reaches a specific level.

Investors who lack the cash to join the party are trying stock leasing, in which banks and mutual-fund managers lend them money, then invest it for them; the interest on the loans is tax deductible. Individuals are also the dominant players on Amsterdam's raucous, open-outcry options exchange, where they place bets on the market's big-name stocks.

The enthusiasm among small players has many observers worried.

"They think trees grow to the sky, and the ones in the options market think it will get them there faster and cheaper," said one observer at an Amsterdam brokerage. "It's very dangerous."

The spiraling index raises the question of what to buy if the Netherlands catches your fancy. There are the tried-and-true names, such as Heineken NV, the brewer, or newer ones, including ING Groep NV.

the combination of Dutch insurer ING and Barings bank, which is seen as the cheapest of the popular financial stocks. For the most part, analysts are carefully culling the diverse universe of Dutch companies for overlooked or underpriced opportunities.

Mr. van Schaik is looking at candidates for stock buy-backs. Such repurchasing of their own shares is a method of boosting stock prices that is widely used by American companies as an alternative to paying cash dividends. It is rare in the Netherlands, however, because it usually incurs stiff tax penalties.

Dutch companies have been pressing for tax relief on buy-backs, something Mr. van Schaik expects to happen this year. His top candidate for a buy-back, and a top pick at ABN-Amro, is Philips Electronics NV. Operations-wise, the company is looking good, he said. Years of often difficult restructuring are beginning to pay off, underscored by the record earnings for 1997, with profit quadrupling to \$2.9 billion guilders (\$1.6 billion) from \$725 million guilders a year earlier. There is more to come, Mr. van Schaik predicted.

"We feel that the company is going to make more tough decisions on what is

a core business and what is not," he said. He expects Philips to sell its stakes in companies like the computer-chip equipment maker ASM Lithography Holding NV and PolyGram NV, the entertainment company.

"That could raise as much as 30 billion guilders, which would allow them to buy back more than 50 percent of their shares," he said. Philips' shares are trading at about 150 guilders, and Mr. van Schaik's six-month target is 200.

Mr. van Schaik's second stock-buy-back candidate is far more of a dark horse. He has a buy rating on Royal BolsWessanen NV, an ill-fated merger between Wessanen, a food company, and Bols, a beverage concern, that has failed to produce hoped-for synergies. The company's stock has been a dismal performer among the Dutch bulls.

But after reporting disappointing 1997 earnings, BolsWessanen's chief executive announced that the company would focus on its food business and sell its beverage units. Mr. van Schaik is betting that it will spend some of the cash on a share repurchase.

"They have already said that if they were a U.S. company they would buy

back stock," he said.

Other analysts favor food companies whose fortunes are more upbeat, and also qualify as defensive plays should the high-flying market take a tumble.

Darrel Duthie, of MeesPierson, the securities and banking subsidiary of Fortis AG, likes CSM NV, a company in the sugar and baking business. Sugar is the cash cow, but the company's business in lactic acid is its growth engine, he said. Lactic acid is made from fermented sugar and used in products ranging from food preservatives to facial creams.

"CSM has a 65 percent global market share, lactic acid use is growing rapidly, and it has high margins," said Mr. Duthie, who likes the company as a long-term investment. But, he warned, "Don't think you're going to jump in and make a ton of money in six months."

Small companies, which have lagged the big-cap index, are another avenue for entering this high-priced market. At ING Barings, Michael Bosman favors Saman Groep NV, a leading European office furniture, which also distributes office supplies. Like many small Dutch companies, it does the bulk of its business—about 30 percent—in Germany, whose depressed market has about bottomed out, Mr. Bosman believes.

"Saman's business in the Benelux and U.K. is doing quite well, and France, which has been a problem, is looking a bit better," he added. He calculated that that would translate into earnings per share of 9 guilders for the year ending March 1999, compared with 7.20 a year earlier.

Mr. Bosman also likes Schuttersveld Holding NV, which makes synthetic products like plastic telephone bodies and parts for household appliances. After a rapid rise, the company's stock has slipped on the news that it may enter a new business, distributing sanitary fixtures such as bathtubs and sinks in Germany. "They haven't made a final decision, and investors don't like the uncertainty," said Mr. Bosman, who said he believed the company would go ahead with its plans. "They have a great track record, and they can implement the same concept they have in their plastics division, which is to buy and consolidate regional distributors, cut costs and reach more customers."

Amsterdam Sizzles

Amsterdam stock exchange AEX index

Year	AEX index
1983	100
1985	150
1987	200
1989	250
1991	300
1993	400
1995	500
1997	1,168.87

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INTERNATIONAL FUNDS

April 10, 19

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 Florin; IDN - Indonesian Rupiah; IL - Egyptian Ira-
 pi; L - Luxembourg Francs; P - Puerto Rican
 - Malaysian Ringgit; Pas - Pesetas; SGS -
 Singapore Dollars; SF - Swiss Francs; Sak -
 Swedish Kroner; THB - Thai Baht; Y - Yen

 - Asked - + Offer Price; N/A - Not Available;
 C - Not Communicated; D - New; S -
 suspended; S/E - stock Split; -Ex-Dividend; --
 x-Rts - @ Offer Price incl. % prem. charge;
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 authority authority; P - Middle of bid and offered
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WORLD ROUNDUP

World Cup Tickets

SOCCER France's World Cup organizers, under fire for refusing to sell all remaining tickets abroad, said Friday that they would put 110,000 tickets on sale on April 22 to residents of 18 European countries.

The tickets will be for first- and second-round matches with the exception of the opening match between Brazil and Scotland on June 10. Reservations can be made by telephone only, on a first-come, first-served basis. Tickets will be restricted to four per person per match, with an overall limit of 16.

Applicants must have an address in one of 18 countries: Germany, Austria, Belgium, Luxembourg, Denmark, Spain, France, Britain, Greece, Ireland, Iceland, Italy, Liechtenstein, Norway, the Netherlands, Portugal and Sweden.

Prices will range from 145 to 350 francs (\$32 to \$57) for the first round and 200 to 500 francs (\$32 to \$81) for the second.

Ninety telephone operators will man special lines from 8 A.M. to 8 P.M. French time (0600 GMT to 1800 GMT) from April 22 to 30 and from 8 A.M. after May 2. Telephone numbers will be made public next Friday.

• Giovanni Trapattoni said in newspaper interviews Friday that he would quit his job as coach of Bayern Munich at the end of the season. "Enough, I'm coming back to Italy, to my world," he said. "I don't have a club to go to, but I don't want to stay here anymore."

(Reuters)

Sri Lankan Suspended

ATHLETICS Asia's fastest woman, Susanthika Jayasinghe of Sri Lanka, was suspended Friday after a second urine sample tested positive for a banned steroid, officials said. Jayasinghe won the 200-meter silver medal at last year's world championships. (AP)

Bruins Back in Playoffs

HOCKEY The Boston Bruins no longer have to worry about missing the NHL playoffs this season. After missing the playoffs for the first time in 30 years last season, the Bruins made sure it would not happen again with a 4-1 victory over the New York Islanders. (AP)

McLaren Still Fastest

GRAND PRIX David Coulthard maintained McLaren's domination by setting the fastest time in Friday's opening practice session for this weekend's Argentine Grand Prix. Michael Schumacher was second in a Ferrari. (Reuters)

Tee Time for 2: Woods and Zoeller

They Are Paired Together at the Masters in Pursuit of Couples

Compiled by Our Staff From Dispatches

AUGUSTA, Georgia — More devilish winds greeted the second round of the Masters on Friday, which was nothing compared to what — or rather, who — was awaiting Tiger Woods on the first tee.

Sixty yards down a slope from where Fuzzy Zoeller made his infamous "fried chicken and collard greens" remark, he joined Woods to tee off for the second round. And if that was not enough, Colin Montgomerie joined them, as the Masters used threesomes for Friday for the first time since 1983 to make sure the second round was completed.

Zoeller, Woods and Montgomerie set out to tackle an Augusta National course that was getting faster, firmer and tougher with each gust of cool, dry air.

Swirling around them were memories from a year ago. Woods was the runaway winner at Augusta, setting a record 18-under 270 to win by 12 strokes and become the youngest Masters champion. Zoeller jokingly told reporters that Woods should not have fried chicken, collard greens or "whatever the hell they serve" on the menu of the champions dinner.

They were paired together by virtue of a 1-under-par 71 under cruel, windy conditions in the first round. They were two strokes back of Fred Couples.

"Just another pairing," Woods said.

Zoeller apologized for his remarks and Woods accepted three days later, but the controversy has built up steam in the week leading up to the Masters. They put on opposite ends of the practice green, each one ignoring the other until they shook hands and Zoeller patted Woods on the back before teeing off.

Even Montgomerie has provoked Woods in the last year, saying that any of Europe's 12 players on the Ryder Cup team could beat him.

If the trio could put that distraction behind them, the wind should be all they could handle. "It's still tough today," said Ben Crenshaw, who went from an 83 in Round One to an even-par 72 Friday.

The wind was so strong and unpredictable Thursday that Couples was the only player who managed to break 70, the first time that has happened in the first round of the Masters since 1987.

And the rain that delayed the start of the first round — it was finally completed on Friday — was no longer around to soften the greens.

Greg Norman was in danger of missing the cut for the second straight year. He had a 76 on Thursday, then made the turn in 40 after a double bogey on No. 9.

Vijay Singh was in danger of missing the cut for the first time in 53 events. He was 10-over for the tournament with four holes to play.

Tom Watson, who opened with a 78,

MASTERS

SECOND ROUND
(U.S. unless stated)

Steve Jones	75-70-145
Jim Furyk	75-70-145
Colin Montgomerie	75-68-147
John Daly	77-71-148
John Huston	77-71-148
Gary Player, South Africa	77-72-149
Dormie Walker, Britain	76-72-149
Lee Janzen	76-74-150
Tony Lema	76-72-151
Billy Casper	75-72-151
Tom Watson	78-73-151
Costantino Rocca, Italy	81-72-153
Frank Nobilo, New Zealand	77-76-153
Jeff Sluman	78-74-152
Greg Norman, Australia	79-78-154
Steve Elkington, Australia	77-77-154
Ben Crenshaw	83-72-155
David Leadbetter	77-78-156
Vijay Singh, Fiji	80-76-156
Tom Lehman	80-76-156
Mike Cowan	80-76-156
Seve Ballesteros, Spain	78-70-157
Ignacio Garrido, Spain	85-72-157
Scott Simpson	79-78-157
Carsten Harritvedt, Sweden	79-78-157
John Cookson, Britain	79-78-157
Fred Funk	76-78-157
Tim Clark, South Africa	81-79-158
Tony Azinger	81-79-158
Mike Reid	82-73-159
Bill Gleason	75-73-161
Charles Coody	75-75-164
Arnold Palmer	74-82-165
Billy Casper	81-86-167
Doug Ford	86-91-171
o=mateur	

started Friday with 12 pars, then followed a birdie with a triple bogey two holes later.

The stillest charge could take someone from as far back as 74 into contention. Phil Mickelson, an 11-time winner who is still looking for his first major, had three birdies and an eagle on the front nine, rolling in a 15-footer for birdie on No. 9 to get within one stroke of Couples.

Craig Stadler had a brilliant round in these conditions — eight birdies in a round of 68 that put him at 3-over 147.

Most people were headed the other direction. Nick Faldo, who made a 6-foot birdie putt on the 17th on Friday morning for a first-round 72, bogeyed two of the first three holes.

Ericie Els missed two short putts Friday morning to finish off a 75, then started the second round with a birdie and an eagle. By the time Els made the turn, he was 2-over for the tournament.

One stroke behind Couples after the first round were Paul Stankowski, Jose Maria Olazabal and Scott Hoch at 2-under 70, while the others at 71 were Phil Blackmar and Paul Azinger, the only player who did not make bogey.

"I feel like I should play well here," Couples said. "It's my favorite tournament: it's my favorite course and it's a place where I have a ton of confidence."

He got a break Thursday at No. 12, even though he bogeyed it. His tee shot landed on the bank of Rae's Creek in front of the green, but the ball stopped about three inches from the water. So instead of taking a penalty stroke, Couples took off one shot and played his second shot from the bank at No. 12. If Couples wins this tournament, he will remember his good fortune. (AP, NYT)



Woods teeing off Friday with Colin Montgomerie and Fuzzy Zoeller.

What Makes Tiger Tick?
Wisdom Beyond His Age

By Thomas Boswell
Washington Post Service

AUGUSTA, Georgia — As Tiger Woods and his caddie, Mike Cowan, walked down the 10th hole during the first round of the Masters, heading toward the Amen Corner and its infamous tunnel of swirling winds, the pair looked at a pile of leaves sitting beside the fairway.

Suddenly, a huge gust of wind hit the leaves and, in Woods's words, "They exploded in all directions. I've never seen the wind blow four ways at once." So I said, "Fluff, which way is the wind blowing?"

Woods hit a 390-yard drive Thursday in that first round. And he showed

VANTAGE POINT

a chipping and putting touch that may be the softest and most imaginative in the world. But what sets Woods apart — just as it made Bobby Jones and Jack Nicklaus different and better than their peers — is in his head. He's wise and tough under pressure far beyond his 22 years.

Woods scrambled his brains out in the first round. Nothing he accomplished in last year's victory was significantly tougher, or more a credit to his maturity and self-possession, than his successful war of survival with Augusta National in those crazy winds.

At various times, Woods cussed, heaved a branch, tossed a putter, staggered with his hands over his head and, by the end, simply gazed at the heavens in exasperation. But he never quit under brutal conditions that blew the fight out of many other stars.

Even though the tormenting gusts

blew his approach shots into trouble 10 times — yes, Tiger missed 10 greens — Woods still managed to make seven gritty saves, plus four birdies, to place himself squarely in the hunt to repeat as champ.

Some may think his opening 1-under-par 71 wasn't too wonderful. Isn't Augusta National supposed to be The Tiger House after his 18-under-par record victory last year? So what's so hot about Tiger's first round?

Woods did not crack, that's what. And he had every chance. Nobody in sports has been under more pressure than Woods for the last 18 months. He is the eye of his own twister. He has had every reason to become distracted, irritated, or even self-pitying.

Instead, he continues to show the general strength of character that golf loves to believe it cultivates and that its greatest players have so often exemplified. Either the game teaches many of the most admirable qualities or it selects as champions those who already have many of them.

Like Nicklaus for so many years, Woods rings true. Out of the swirl around him, he seems to see what matters and ignore what does not. Earl in the first round, for example, Gay Brewer, 66, became the oldest man ever to match par at Augusta with a 72.

"To do that under these conditions is so inspirational that is," said Woods. "You look at it and say, 'If he can do it, I should be able to do it.'"

Before he began, Woods counseled himself, "Tough day. Accept it. You'll make mistakes. Hang in there. Be patient. Make pars. Move on."

That is easier said than done at any age. At 22, it is scary to think Woods can actually follow such advice.

Twins, Slugging Like 20,
Batter Blue Jays, 13-2

The Associated Press

They have 48 hits and 41 runs in their last four games. They hit two three-run home runs in the same game.

No, not the Seattle Mariners or the Cleveland Indians. It's the Minnesota Twins, who have spent the week kicking sand in the faces of all those who scoffed at their lineup entering the season.

Orlando Merced led the latest outburst Thursday night, matching a career high with five runs batted in during a 13-2 victory over his former team, the Toronto Blue Jays.

Merced and Matt Lawton each hit three-run homers and rookie David Ortiz continued his impressive start with two doubles, two RBIs and three runs.

Add it all up and the Twins are the second-highest scoring team in the American League behind the Mariners.

All that offense made it an easy night for Brad Radke, who needed one after struggling with a cold in recent days and with his control in his first outing last Friday.

C.J. Nitkowski followed Bergman with three perfect innings for his first career save as visiting Houston won for the fourth time in five games.

Radke's outing, combined with Mike Trombley's two sco-

reless innings of relief, lowered Minnesota's team ERA to 3.38, second-best in the league to Baltimore's 2.75.

Orioles 2, Royals 1 For Baltimore it was an easy formula: Turning two five times meant seven straight.

The Orioles tied a club record with five double plays and won their seventh consecutive game with a 2-1 victory over the host Kansas City Royals.

Jimmy Key (1-0) allowed one run and six hits in seven innings and Armando Benitez pitched the ninth for his second save.

The Royals wasted a nice outing by Pai Rapp, who gave up one run and three hits in seven inn-

ings. Baltimore's Cal Ripken homered in the seventh inning to tie the game, 1-1. The shot moved him past Lou Gehrig for 45th on the career hits list with 2,721.

Lee Stevens hit a two-run home run and drove in three runs and Juan Gonzalez added a two-run double to back Seie, making his 110th career start. He struck out five and walked four.

James Baldwin (1-1) gave up seven runs — five earned — five hits and six walks in five inn-

ings. Radke's outing, combined with Mike Trombley's two sco-

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German Poll Backs A Grand Coalition

BONN — If the opposition Social Democrats win the September elections, more Germans will prefer a grand coalition government and their conservative party than would like the Social Democrats to govern with the environmentalists Greens, a survey Friday indicates.

It showed that 35 percent favor a coalition of the left-wing Social Democratic Union and the Chancellor Helmut Kohl's Christian Democratic Union. About 30 percent said they would favor the Greens, and 22 percent they would rather the Social Democrats join with the pro-market Democrats.

In a separate survey, they found that the Social Democrats were leading the Christian Democratic Union and Christian Social Union, 45 percent to 35 percent, one-percentage-point drop, a week earlier for Social Democrats, a one-point gain for the parties, with support for the unchanged at 6 percent, and the Democrats at 5 percent.

Cavaliers 91, Bulls 85 Chicago, which has an NBA-best 59-18 record, blew a chance to clinch the top record in the

Surprise! Nuggets Win and Bulls Lose

The Associated Press
It was a noteworthy night for the National Basketball Association's best and worst teams.

The Denver Nuggets avoided any chance of finishing with the worst record in league history by beating

NBA ROUNDUP

the Sacramento Kings, 128-103, on Thursday night for their 10th victory of the season.

While the Nuggets got a rare victory, the Chicago Bulls went down to a rare defeat. The Cleveland Cavaliers snapped the Bulls' winning streak at 13.

With five games remaining, the Nuggets (10-6) are assured of finishing with at least one more victory than the 1972-1973 Philadelphia 76ers, who ended the season at 9-73.

"It hasn't sunk in yet, but I'm sure it's a relief," said Denver's coach, Bill Hanzlik. "With the way this season has been, we'll probably be called for running an illegal play and have to forfeit the game."

LaPhonso Ellis had 26 points and 15 rebounds, and Cory Alexander added 23 points and 11 assists for Denver, which got a standing ovation from the crowd of 11,000.

Cavaliers 91, Bulls 85 Chicago, which

found that the Social Democrats were leading the Christian Democratic Union and Christian Social Union, 45 percent to 35 percent, one-percentage-point drop, a week earlier for Social Democrats, a one-point gain for the parties, with support for the unchanged at 6 percent, and the Democrats at 5 percent.

Eastern Conference
"Cleveland was the aggressor," said the Bulls' coach, Phil Jackson. "They played well."

Brevin Knight had 22 points, 5 steals and 4 assists for the Cavaliers.

Michael Jordan, whose buzzer-beating shots knocked Cleveland out of the playoffs in 1989 and 1993, scored 29 points, but did not make a field goal in the fourth period. Shawne Kemp had 19 points and 10 rebounds for the Cavs, while Dennis Rodman grabbed 20 rebounds for the Bulls.

Pistons 102, Wizards 83 In Washington, the beleaguered Wizards were boozed by their own fans during a lopsided loss to Detroit.

The defeat dropped the Wizards 2½ games behind the New Jersey Nets, who hold the eighth and final playoff spot in the East.

The distraction caused by a sexual assault complaint filed this week against two Washington stars, Chris Webber and Juwan Howard, combined with the loss of the NBA assists leader, Rod Strickland, left the Wizards with little fight for a game they needed to win to contend for a playoff berth.

Pacers 105, Hawks 102 Reggie Miller hit an off-balance 3-pointer with 1.3 seconds left to force overtime and visiting Indiana never trailed in the extra period in Atlanta.

Miller, who finished with 19 points,

opened the overtime with another 3-pointer, giving Indiana a lead it held until Dikembe Mutombo hit a short hook to tie it at 100 with 2:25 left.

Jalen Rose then made a wide open 3-pointer from the right corner to put Indiana ahead to stay.

SuperSonics 103, Mavericks 101 In Dallas, Gary Payton scored seven of his 28 points during a key fourth-quarter run as Seattle edged the Mavericks to give coach George Karl his 500th career victory.

Detlef Schrempf added five of his 22 points during the 15-6 fourth-quarter spurt to help the Sonics move within a half-game of Utah for the best record in the Western Conference. Michael Finley scored 27 points for Dallas.

Warriors 99, Clippers 85 Rasheed Wallace scored six straight points late in the game as Portland rallied to beat the Clippers in Los Angeles.

With the Trail Blazers down 88-83 and 3½ minutes remaining, Wallace scored the next three baskets to put Portland up by three points with less than two minutes left.

Grizzlies 25, Hawks 13 Brian Grant had 25 points and 13 rebounds for Portland. Isaiah Rider scored 25 points and Wallace, filling in for the injured Arvydas Sabonis at center, had 23 points for the Blazers.

Rockets 93, Warriors 89 In Oakland, Mario Elie scored 23 points and Clyde Drexler added 19 as Houston took con-



Chicago's Scottie Pippen, left, got the foul as he and Dennis Rodman tied up Cleveland's Shawn Kemp.

trol in the third quarter to defeat Golden State.

Jim Jackson scored 25 points for the Warriors, who have lost four straight at home and 14 of 16 overall.

■ Malone Is Elbowed Out

Karl Malone of the Utah Jazz was to miss just the fifth game of his 13-year career on Friday night after being suspended for one game and fined \$3,000 for elbowing San Antonio's David Robinson unconscious.

Jury Calls a Foul on the NBA: Woman Ref Gets \$7.85 Million

**By Benjamin Weiser
New York Times Service**

NOW YORK — For years, Sandra Ortiz-Del Valle had dreamed of becoming a referee in the National Basketball Association, but she never got any closer than officiating a few pre-season games for the New Jersey Nets.

Convinced that she was a victim of sex discrimination, she sued the league.

A federal jury in Manhattan agreed Thursday, finding that the league had denied her a job because she was a woman and awarding her \$7.85 million in damages.

The verdict, which includes an award of \$7 million in punitive damages, marks the first time the league has lost a discrimination case in court, said one of its lawyers, Jeffrey Mishkin. He said the league would ask Judge Sidney Stein to vacate the decision and, if the judge refused, would appeal.

Ortiz-Del Valle, 46, who teaches physical education and coaches basketball at Humanities High School in New York City, sobbed as the verdict was announced. "The best ref is what I wanted to be," she said afterward. "I didn't go into it just because I wanted to break the door down."

During the six-day trial, the league's

lawyers strongly disputed the discrimination allegations, and called as witnesses Violet Palmer and Dee Kanter, who made history this season when they became the first women to officiate regular-season games in the NBA or any other major professional team sport.

Palmer and Kanter both testified that they had been hired on merit and that they did not believe the league discriminated.

Mishkin called the verdict a "bizarre" result. "Here is a finding that the NBA discriminates against women in the hiring of officials, and we are the only league that has them," he said.

But Ortiz-Del Valle's lawyers introduced documents that showed that the NBA had given her high marks as a referee. One such document, a scouting report to Dorell Garrison, chief of the league's officiating staff, from Aaron Wade, another league official, described Ortiz-Del Valle as being in good physical condition, having "excellent basketball officiating skills."

"I would not hesitate to recommend that at some time in the near future she be considered to enter our training program," Wade wrote.

Ortiz-Del Valle's lawyers asserted that the league gave her varying reasons for denying her a job, which they called a pretext for discrimination.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE		WESTERN CONFERENCE	
ATLANTIC DIVISION	WEST DIVISION	CENTRAL DIVISION	WEST DIVISION
1. Miami 52-22	2. Atlanta 50-23	1. Chicago 52-22	2. San Antonio 50-23
3. New York 50-24	4. Detroit 50-24	3. Milwaukee 50-24	5. Houston 50-24
5. New Jersey 49-26	6. Minnesota 49-26	6. Indiana 49-26	7. Sacramento 49-26
7. Orlando 48-27	8. Philadelphia 48-27	9. Cleveland 48-27	10. Los Angeles 48-27
10. Boston 47-28	11. Atlanta 47-28	12. Detroit 47-28	13. Denver 47-28

WESTERN CONFERENCE

MIAMI DIVISION

W	L	Pct.	GB
58	18	.763	—
58	16	.767	1/2
57	17	.756	1/2
51	23	.572	1/2
45	31	.572	1/2
44	33	.571	1/2
35	42	.457	2/2
35	43	.447	2/2
10	47	.197	4/2

THURSDAY LINESCORES

DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83

THURSDAY RESULTS

DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83

WEDNESDAY RESULTS

DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83
DETROIT 102, WASHINGTON 83	INDIANA 101, ATLANTA 102	CLEVELAND 91, CHICAGO 85	DETROIT 102, WASHINGTON 83

THURSDAY LINESCORES

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